



U.S. Department of
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Intercity Bus Feeder Project Program Analysis

September 1990



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Final Report
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Prepared by
Frederic D. Fravel, Elisabeth R. Hayes, and
Kenneth I. Hosen
Ecosometrics, Inc.
4715 Cordell Avenue
Bethesda, Maryland 20814-3016

Prepared for
Community Transportation Association of
America
725 15th Street NW, Suite 900
Washington, D.C. 20005

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EXECUTIVE SUMMARY

BACKGROUND AND PURPOSE

Following the passage of the Bus Regulatory Reform Act of 1982 (BRRA), intercity carriers used their increased regulatory flexibility to discontinue many underutilized rural and small city services. This was understandable, in light of the competitive pressures resulting from the loss of cross-subsidies from charter and tour operations, and the deregulation of the airline industry. However, the loss in service to rural areas, documented in a number of studies, created an awareness of the need to devise a system that would allow rural areas to be connected with the remaining intercity bus service. The Greyhound Rural Connection Program (RCP), together with the Intercity Bus Feeder Project (IBFP) of the Community Transportation Association of America (CTAA), have been created to design and implement a means of linking existing rural public transportation services with those of the intercity carriers.

The Rural Connection Program

The Rural Connection Program began in 1987 with enthusiastic support from rural public transportation operators, with a number of the most innovative ones eager to join up. The program offered four basic ways in which a local system could participate with Greyhound, including taking passengers to designated intercity bus stops and picking them up at those locations, using an additional ticket coupon in the intercity bus ticket, or a separate ticket and fare. Greyhound has developed a marketing guidebook and materials for use by the rural operators to market the availability of feeder service, and is making the materials available at reasonable cost. The linkages are shown in Russell's Official Bus Guide, which virtually all intercity bus terminal staff and agents have as their basic schedule and service reference. Also, the Greyhound national telephone information centers have this same information, and can provide information on linkages to users and agents. Rural operators can expand on the passenger linkage by carrying packages shipped by bus package express. A rural operator can also become the commission agent of the bus company, selling tickets, providing information and waiting facilities, and handling bus package express while also operating the rural services. Figure S-1 graphically displays how the program works and how the different participants are related. Combinations of these different ways of providing service under the Rural Connection program vary considerably, depending on many factors.

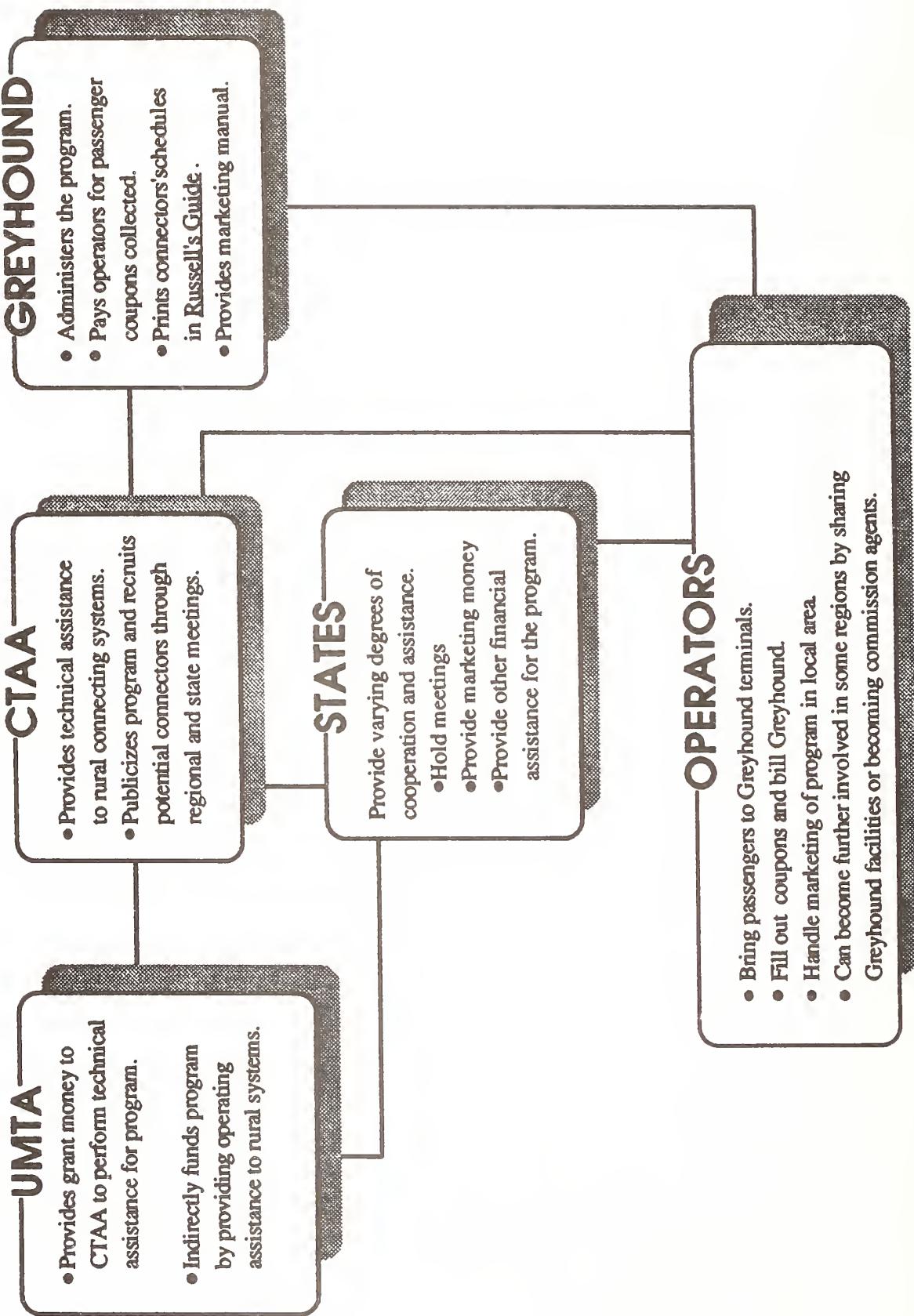


Figure S-1: DESCRIPTION OF OVERALL PROGRAM

CURRENT STATUS OF THE PROGRAM

Participants

There are currently 74 transit systems participating in the RCP. The Rural Connection Program Participant Survey was mailed to 76 systems. Two of these systems are no longer operating, and eight of the remaining systems are subcontractors under one agency (CARTS, Austin, Texas) and are grouped together as one system for the purpose of this study, bringing the number of RCP participants to 67. These are listed in Table S-1 of the report which also lists the agency location, service area, Greyhound Terminals served, and survey response.

Of these 67 transit systems, 36 of them returned the RCP participant survey. All 31 of the non-responding systems were telephoned at least twice to try and elicit a response.

Current Trends

As more systems joined the RCP since its beginning in the Fall of 1987, ridership steadily rose until April of 1989. The highest figures reported were for the month of March 1989. After this point, ridership fell off somewhat until August of 1989, when it rose again, and then declined somewhat from September 1989 to November 1989. The ridership trends are graphically displayed in Figure S-2. The probable cause for the ridership increase that peaked in March 1989 is the "Many Happy Returns" fare promotion that Greyhound offers during the first three months of the year. This promotion offers a roundtrip ticket for the price of a one-way ticket.

IDENTIFICATION OF PARTICIPANT GOALS

- Greyhound Lines: The stated goals of the carrier with regard to the RCP have been to increase ridership on the Greyhound's own system of intercity routes. No quantitative estimate of potential, desired, or probable ridership was developed at the outset to assess the program -- rather some informal ridership projections were made as it got underway. These were not publicly available, and were not used as specific program goals. The company's primary goal was to determine a means to return to rural areas at a low cost. Though never a stated goal, the positive public relations benefits of the RCP became more apparent as time progressed. Certainly the addition of potential service to many rural points under this program provided a dramatic contrast with the high-profile abandonment of many rural services by Greyhound following deregulation in 1983-84. Virtually the only increase in the number of rural points served by the intercity bus network has come as a result of the RCP.

Table S-1: RURAL CONNECTION PARTICIPANTS: SERVICE CHARACTERISTICS

NAME OF SYSTEM	STATE	ANNUAL TRIPS	TRIPS DEMAND RESPONSE	TRIPS FIXED ROUTE	TRIPS SUB-ROUTE	TRIPSSCRIPTION	OTHER TRIPS	SOCIAL SERVICE	GENERAL HOURS AND DAYS	PUBLIC OF SERVICE
										TRIPS
Coordinated Accessible Rural Transit System (CARTS) H.E.L.P., Inc.	AL	62932	50.0	50.0	0.0	0.0	0.0	38.0	62.0 Monday-Friday 0800-1700	75.0 MWF, 0500-1700, TuTh, 0600-1600
West Alabama Health Service	AL	68845	25.0	75.0	0.0	0.0	0.0	25.0	75.0 MWF, 0500-1700, TuTh, 0600-1600	
Region Six Planning Commission IA	IA	796040	40.0	40.0	10.0	10.0	60.0	40.0 Monday-Friday, 0700-1700 Saturday & Sunday, on-call		
East Central Iowa Transit	IA	97091	14.0	64.0	22.0	0.0	56.0	44.0 Monday-Friday, 0630-1630		
East Central Iowa Transit	IA	331209	30.0	70.0	0.0	0.0	84.0	16.0 Sun., 0800-1400, M-F, 0600-1730, Sat., 0600-1900		
Homedare Services, Inc.	IA	34147	100.0	0.0	0.0	0.0	67.0	33.0 Monday-Friday, 0615-1830 Sat.-Sun, Special assignment only		
Warren County Community Action Agency (CAA)	IL	15000	0.0	0.0	100.0	0.0	4.0	96.0 Monday-Friday 0830-1630		
Rides Transportation Project	IL	125077	53.0	0.0	47.0	0.0	66.0	34.0 Monday-Friday, 0600-1800 Some evening and weekend service upon request.		
Transportation for Rural Areas IN of Madison County (TRAM)	IN	11004	100.0	0.0	0.0	0.0	5.0	95.0 Monday-Friday, 0600-1700		
Blue Grass Community Action Agency (BUS)	KY	176388	6.0	0.0	94.0	0.0	94.0	6.0 Monday-Friday, 0700-1700		
Community Action Transportation System (C.A.T.S.)	KY	53000	15.0	0.0	0.0	85.0	85.0	15.0 M., F. 0600-2000 Tu. 0600-1800 W.0530-2000 Th.0630-1800		
Fulton County Transit Authority	KY	50000	35.0	40.0	10.0	15.0	25.0	75.0 Monday-Friday, 0645-1700 Saturday 0800-1300		
Green River Intra-County Transit System (G.R.I.T.S.)	KY	140743	60.0	40.0	0.0	0.0	87.0	13.0 Monday-Friday, 0800-1630		
Bay Area Transportation Authority	MI	333000	35.0	0.5	64.5	0.0	30.0	70.0 Monday-Friday, 0600-1800 Saturday, 0900-1800		

Table S-1 (continued)

NAME OF SYSTEM	STATE #	ANNUAL TRIPS	TRIPS DEMAND RESPONSE	TRIPS FIXED ROUTE	TRIPS SUB-ROUTE	OTHER TRIPS	SOCIAL SERVICE AGENCY	GENERAL HOURS AND DAYS PUBLIC OF SERVICE TRIPS
City of Jackson Transportation Authority	MI	772983	26.0	43.0	27.0	4.0	15.0	85.0 Mon-Thur, 0600-1815 Sun, 0700-1500, F, 0600-2200, Sat 10-10
Isabella County Transportation Commission	MI	300000	25.0	0.0	75.0	0.0	50.0	50.0 M-F 600-1900, Su 8-5, Sa 630-7. Contract for aft. hrs serv.-until 10pm-2am
Muskegon Area Transit System (MATS)	MI	554010	5.0	95.0	0.0	0.0	0.0	0.0 Monday-Friday, 0700-1800 Saturday, 1000-1800
Twin Cities Area Transportation Authority	MI	145835	100.0	0.0	0.0	0.0	0.0	0.0 Monday-Friday 0600-1900 Saturday 0800-1630
Southeast Missouri Transportation Service, Inc.	MO	300000	0.0	0.0	0.0	100.0	95.0	5.0 as needed
York County Transportation-Handibus/Busy Wheels	NE	15600	100.0	0.0	0.0	0.0	0.0	0.0 Monday-Friday, 0800-1700
Blue Rivers Area Agency on Aging	NE	77500	100.0	0.0	0.0	0.0	90.0	10.0 Monday-Friday, 0815-1615
Eastern Nebraska Office on Aging	NE	n/a	100.0	0.0	0.0	0.0	n/a	n/a Monday-Friday, 0645-1600
Saline County Area Transit	NE	6200	0.0	100.0	0.0	0.0	5.0	95.0 Monday-Friday 0800-1800
Saunders County Handi Van	NE	2675	100.0	0.0	0.0	0.0	0.0	0.0 Monday-Friday, 0800-1700
Hall County Handibus	NE	28000	100.0	0.0	0.0	0.0	40.0	60.0 Monday-Friday, 0800-1700
SENLOW Transportation System	NE	37349	100.0	0.0	0.0	0.0	0.3	99.7 Monday-Friday, 0800-1700
DART Transportation	NM	6620	100.0	0.0	0.0	0.0	0.0	100.0 24 hours per day, 7 days per week
Chautauqua Area Rural Transit (CARTS)	NY	82600	50.0	50.0	0.0	0.0	25.0	65.0 Monday-Friday, 0800-1800
Clinton Area Rural Transit (CART)	NY	75940	0.0	100.0	0.0	0.0	0.0	100.0 Monday-Friday, 0700-1900
Gadabout Transportation Services, Inc	NY	30000	100.0	0.0	0.0	0.0	25.0	75.0 Monday-Friday, 0730-1800
Pee Dee Regional Transportation Authority	SC	430224	7.0	20.0	73.0	0.0	72.0	28.0 Monday-Friday, 0700-1800

Table S-1 (continued)

NAME OF SYSTEM	STATE	# ANNUAL TRIPS	# TRIPS DEMAND RESPONSE	# TRIPS FIXED ROUTE	# TRIPS SUB-ROUTE	# OTHER TRIPS	# SOCIAL SERVICE AGENCY TRIPS	GENERAL HOURS AND DAYS PUBLIC OF SERVICE TRIPS
Southeast Tennessee Human Resource Agency (Rural Transportation Authority)	TN	50000	100.0	0.0	0.0	0.0	80.0	20.0 Monday-Friday, 0800-1630
Capital Area Rural Transportation System (CARTS)	TX	286951	85.0	10.0	5.0	0.0	66.0	34.0 M-F, 0800-1700. Suburban, MTA Contract Serv., M-F, 0600-2130
Texoma Area Paratransit System, Inc. (TAPS)	TX	116777	100.0	0.0	0.0	0.0	82.0	18.0 Monday-Friday, 0800-1700
JAUNT, Inc.	VA	147542	84.0	16.0	0.0	0.0	54.0	46.0 Monday-Friday, 0630-1830
Potomac Valley Transit Authority	WV	76000	0.0	100.0	0.0	0.0	3.0	97.0 Monday-Friday, 0445-1740
*** Total ***		5837282						

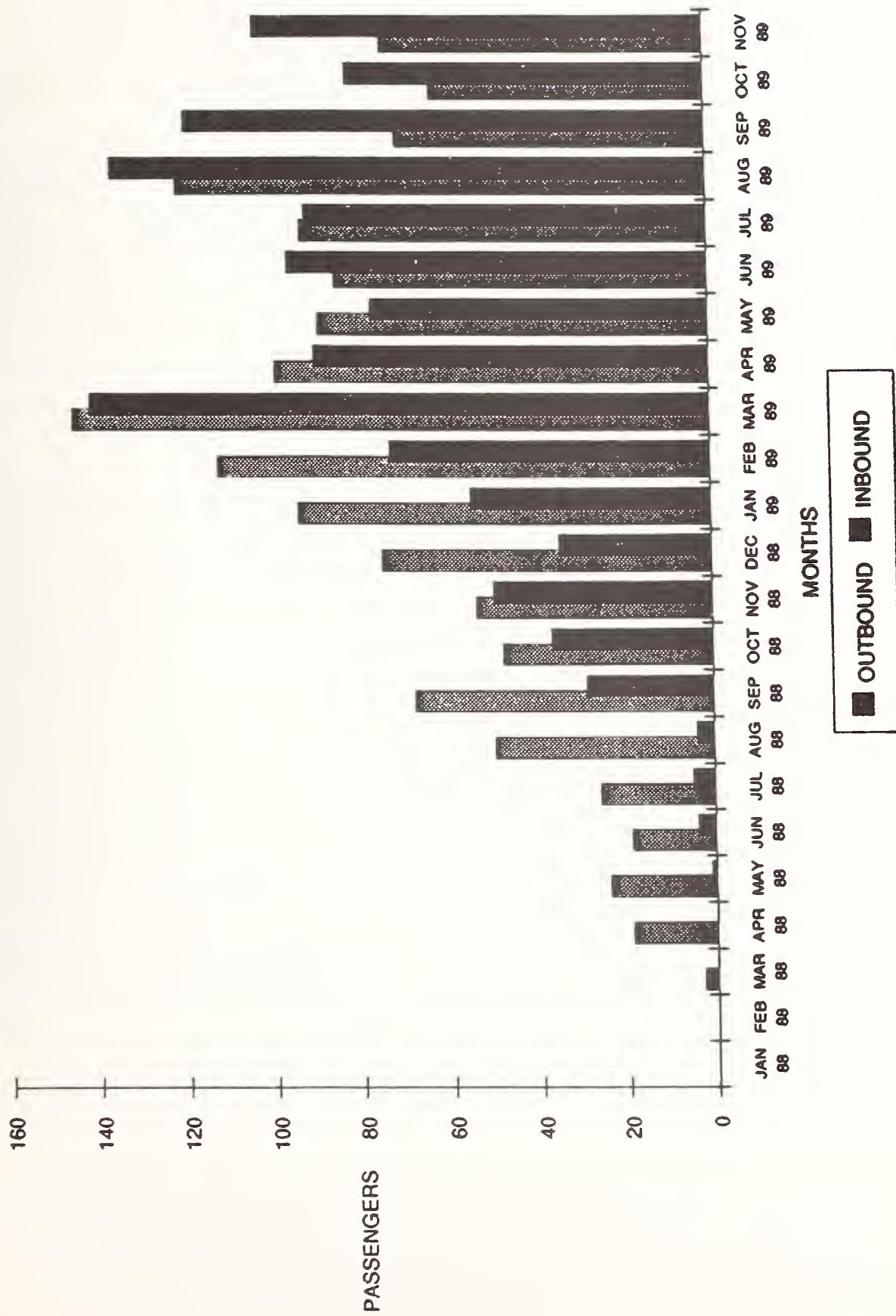


Figure S-2: RURAL CONNECTION PROGRAM RIDERSHIP TRENDS

- CTAA: The idea of the Rural Connector was viewed as an opportunity to offer rural operators a chance to do something entrepreneurial, working with the private sector. The early ideas for the program included plans for joint advertising, local publicity, ticket and package express commissions, vehicle leases, and possibly even provision of liability insurance through Greyhound. All of these were seen to offer benefits for participating rural operators and by extension, the members of CTAA.
- UMTA: UMTA's view was that the project was "seed money" for a program that the intercity bus industry was developing, and that the initiative was in the hands of the industry rather than UMTA. In that sense it appears that UMTA did not have any goals for the RCP that were developed independently of Greyhound or Rural America. At this point, however, UMTA may review applications for extension in terms of some possible evaluation criteria suggested by the UMTA project manager. These include:
 - the extent to which it may get rural operators to think like entrepreneurs,
 - evidence of a true connection between Greyhound and rural operators,
 - the role of the program in assisting Greyhound to grow, and
 - the degree to which it creates state involvement, for example in funding.
- Rural Operators: As part of the survey of participating rural operators, a question was asked to determine the goals for the RCP. This question was an open-ended one, with no sample responses listed, and four lines provided for their answer. The question is number 17 on page 6 of the survey (a copy is included as Appendix A) in the section covering the RCP. From the returned surveys, five major goal areas emerged. They are:
 - To serve the community as a link to the intercity carriers, maximizing the mobility of rural residents and providing a much needed service,
 - Generate ridership for the system,
 - Generate revenue for the system,
 - To expand existing services, and
 - To build prestige as a transportation provider by being associated with Greyhound.
- Michigan Department of Transportation: In addition to the direct participants in the Rural Connector Demonstration Project, the State of Michigan also funded a demonstration project to support the development of rural connectors in that state. The Bureau of Urban and Public Transportation (UPTRAN) in the state's Department of Transportation established the program "... to provide citizens in small urban and rural communities greater access to intercity bus transportation and thereby reduce potential isolation for such people." Michigan did not have any defined quantitative goals for ridership or revenues from the program at the outset, but is examining the relationship of costs and incremental ridership as part of the demonstration evaluation.

ANALYSIS OF PARTICIPANTS

In order to collect information about the transit systems involved in the RCP, each system was sent an eight page survey which asked 24 questions pertaining to three major areas: service characteristics, administrative characteristics, and RCP characteristics.

Service Characteristics

Of the survey respondents, 34 of the 36 serve both the general public and social service agencies. Two of the respondents serve only the general public. The results of the survey regarding service characteristics are summarized in Table S-1. For the respondents as a group, 54 percent of the total trips are made for the general public, and 46 percent of the trips are made for social service agency clients. The breakdown of service types for the group as a whole is as follows: demand-responsive (54%); fixed route (25.4%); subscription (14.6%); and other (6%). In general, the systems with low ridership levels also have low RCP ridership. No strong relationship was found between fleet size and RCP ridership. Most of the responding systems operate only during regular business hours, although some do have extended hours. Only two of the responding systems handle package express and neither of these systems handles packages in conjunction with Greyhound.

Administrative Characteristics

Operating funds for the participating agencies come from a myriad of sources including UMTA Sections 18, 9, and 16(b)(2); Title III Aging; Section XIX Medicaid, state grants; fares, local millages, local governments; contracts; and in-kind. The annual operating budgets range from a low of \$28,989 to a high of \$2,215,000. The system with the highest annual operating budget is also the system with the highest RCP ridership; however, other high budget systems do not also have high RCP ridership. Although a direct connection between amount of funds available and RCP ridership cannot be made for the program, there does seem to be a relationship between the amount of state financial assistance received for the RCP and ridership. All of the systems in Michigan reported significant ridership for the program, and they all receive financial assistance specifically for the program.

Rural Connection Program Characteristics

A number of different aspects of the RCP participants were examined in an effort to determine the role of particular characteristics or activities in generating ridership. These included marketing, service hours, the relationship with the local Greyhound agent, special traffic generators, and other factors mentioned in the surveys.

- **Marketing:** All of the systems in the high ridership group have programs to market the RCP. All of the systems in the moderate ridership group also market the program. This relationship fails to present itself for the low ridership group. Of the 26 systems reporting less than 50 riders over the course of the RCP, 17 of them marketed the program. Five of the systems have done no marketing for the program, and four systems have used only the materials provided by Greyhound.
- **Service Hours:** It may be that the Connector systems are marketing the service, there is a demand for the service, but the systems do not have service hours on weekends and evenings, during the peak ridership hours for the intercity carriers. All five of the systems in the high ridership group have hours that extend beyond just weekday service. Within the low ridership group, 22 of the systems have no regular weekend or evening service. None of the systems in the low ridership group have evening hours.
- **Special Markets:** An examination of the two highest ridership systems suggests that a high level of RCP ridership is related to the presence of an intercity bus ridership generator within the community, such as a prison or college.
- **Relationship with the Greyhound Agent:** The survey asked RCP participants if they were satisfied with the Greyhound ticket agents in their communities and what comments they had concerning these agents. Forty-four percent of the respondents were not satisfied with their Greyhound agents, 36 percent were satisfied with their agents, and 19 percent did not answer the question. A common complaint among the respondents was the lack of knowledge about the RCP found among the Greyhound agents. Some other related complaints include the agents refusing to honor the coupons and the agents giving out wrong information to passengers about the program. On a more optimistic note, three of the Greyhound agents received very positive comments concerning their handling of the RCP.

A majority (64%) of the RCP survey respondents were not satisfied with the program. Thirty-one percent of the respondents were satisfied with the program and the remaining five percent did not respond to the question. Most of the reasons cited for lack of satisfaction were related to the lack of ridership. Other issues that troubled the respondents included the abundance of paperwork for too little revenue and a lack of funds for marketing the program.

There were not as many positive comments about the program, as the participants who said they were satisfied tended not to write down any comments. One operator indicated that the program has accomplished all of the goals expected of it and was looking forward to future endeavors with the intercity carriers.

The survey respondents offered many suggestions for improving the program. The topic of marketing generated the most suggestions. They included:

- Provide funds to RCP participants to market the services.
- Provide generic radio and television spots that could be used locally.

- Improve the quality of the marketing materials provided by Greyhound.
- Increase awareness of the program throughout the Greyhound organization.
- Provide reimbursement for inbound riders.
- Increase the reimbursement rate.

CASE STUDIES

Four case study site visits were conducted as part of this analysis to provide more insight into the RCP and the role of the participating rural operators. The case studies include: Capital Area Rural Transportation System (CARTS) in central Texas; JAUNT in Charlottesville, Virginia; Jackson Transit Authority in Jackson, Michigan; and Berrien Bus in Benton Harbor, Michigan. A summary of each of these case studies is included in Chapter 3 of the final report, while the full case studies are included in Appendix C.

PROGRAM COSTS AND BENEFITS

Program benefits to date include both those that can be quantified and those that cannot. Ridership and revenue can be identified, as can costs. However, benefits to Greyhound, CTAA, and the rural operators from the positive public relations generated by the program cannot be quantified. Benefits to riders not reflected by their fare revenues are also difficult to assess. Similarly, the benefits of the improvements in essential mobility for rural areas are difficult to measure, because the availability of the Rural Connection is an improvement for potential users, as well as those that have actually tried the service.

Benefits

- **Ridership:** Total ridership of surveyed operators as of 11/30/89 came to 2,744, and it has basically leveled off (in part because the program is not currently expanding to new operators.) Average ridership per month per surveyed operator ranges from 0 to 64. These figures are different from Greyhound data, which covers all reporting Rural Connectors, but includes only originating passengers. According to Greyhound information calendar 1989 ridership through 11/30/89 was 1,480 trips, with a carrier payment to the rural operators of \$2,569.

- **Revenue:** Total estimated revenue paid to the surveyed Rural Connectors is estimated to be \$3,194. Estimated Greyhound revenue on trips originating or ending on one of the surveyed Rural Connectors is projected to be \$96,040, based on a \$35 average price for an intercity ticket. Total Greyhound revenue on tickets sold to Rural Connection originating passengers (during the period 1/1/89 - 11/30/89) was \$48,688, or \$32.89 per ticket. It is not clear at this time how many of these passengers would have ridden Greyhound anyway -- first results from Michigan suggest that perhaps 20 percent would not have made an intercity trip at all, if not for the Rural Connection, and that half would have found another way to reach the intercity bus service.
- **Public Relations:**
 - **Greyhound:** Although not an original goal of the project, this benefit could be most significant for Greyhound, as the Rural Connection provides for the first expansion of intercity network connections in rural areas. By combining the Rural Connection initiative with a moratorium on service abandonments during the year following the Trailways purchase, Greyhound has been able to put forth a positive program to maintain rural mobility. This is a strong contrast to the negative publicity surrounding service abandonments in 1983-84, when Greyhound filed for large numbers of discontinuances, and in 1986-87, as Trailways sought statewide service reductions in the midwest.
 - **Local Operators:** Many of those surveyed felt that the positive image conferred on their system was one of the major benefits of being a Rural Connector. It allows the local system to define its role as that of a comprehensive transportation provider, the single source for mobility.
 - **CTAA:** A benefit to CTAA was the ability to link private sector providers of intercity services with the public and private non-profit rural transit operators represented by that organization. As an advocate for rural transportation, the benefits of the expanded rural mobility opportunities are a benefit, as is the increased support of Greyhound for expanded rural transit subsidy assistance and intermodal terminals.
- **Mobility**
 - **Better Information on Existence of Connections:** From the user standpoint, a major benefit is that mechanisms are now in place that make use of rural public transit to access intercity bus services into an eligible trip, and that the information is in place (for systems involved in the RCP) to allow a user to take advantage of this opportunity. In the past, many systems would have dropped riders at the intercity bus station, but the local system would not have promoted this fact, or made a commitment to provide the service. In addition, the user had no way of getting information about rural connections at the destination end.
 - **Linkage of Existing Public Transit:** This program represents a very basic attempt to provide more mobility for very limited resources by linking existing local and intercity services.

Costs

- Greyhound costs to date are approximately \$470,000, including staff, promotion, development of marketing materials, travel, etc.
- CTAA costs to the end of the demonstration project are approximately \$200,000, including staff time, development of marketing materials, promotion, travel, and evaluation. Funding for this project was provided by UMTA.
- Michigan DOT costs to date are approximately \$139,328 for marketing and expanded service grants to six local operators, plus some additional state costs for program administration, etc.
- Local Rural Connectors also have provided assistance for the portion of Rural Connection trips not covered by fares and Greyhound reimbursement. No estimate of these costs is available.

In examining the costs versus the ridership, it is important to recognize that many of these costs are "start-up" costs for the staff time, travel, and promotion needed to begin a nationwide project involving many actors.

CONCLUSIONS

Despite the amount of information on the RCP collected in this report and in other sources, it is too soon to determine whether or not the concept is an overall "success". Certainly it appears that many rural areas have been reconnected to the national intercity bus network, that the program generally functions in an operational sense (ticketing, information, reservations, etc.), and that both the intercity and rural carriers benefit from improved public relations. In addition, some rural systems have generated additional RCP ridership. Despite the low overall ridership to date, it is not clear what the eventual potential of the RCP may turn out to be. Low ridership may be the result of any number of problems identified in the review and site visits, or it may simply reflect the likely level of demand for rural public transportation access to intercity bus services. This question represents the major unresolved issue surrounding this program.

Unresolved Issues -- Potential Demand

The ridership success of the feeder program is difficult to evaluate because of the lack of information about the likely demand. If the current feeders are meeting a reasonable proportion of the actual demand, then the program could be judged a success despite the low absolute numbers of RCP

riders. The major unresolved issue remains the question of the actual level of demand, and given that demand, what is the most cost-effective way to serve that demand.

The reason this issue remains unresolved is that no one really knows the true potential demand for public transportation connections to intercity services. There is some data available from various sources that suggest that the actual demand for connections to intercity services in rural areas is low at any particular agency, and that in many cases rural connectors are meeting this demand.

To begin considering this question at the national level, Greyhound market research information indicates that approximately a third of its ridership has one or more trip ends in a rural area, defining rural and urban areas as designated in the 1980 Census. Of the total 2,843 agencies, some 38.3 percent or 1,088 are in rural areas, based on this definition. Based on this percentage, in 1989 Greyhound provided approximately 7,096,934 trips with at least one end in a Census-defined rural area. In urban areas the use of public transportation to reach intercity bus connections varies considerably with the level of local service, but existing surveys done by various state departments of transportation suggest that even in urban areas this percentage is low. In Michigan between 9.2 and 11 percent of intercity bus riders (statewide) used local transit to access the bus. A survey in Wisconsin did find that in small communities and rural areas only three percent of intercity bus passengers reach the bus by taxi, and only two percent by local bus.¹ If one applies the two percent figure to all Greyhound trips with a rural trip end, it suggests that the total, eventual, nationwide market for rural connection trips might be perhaps 95,000. This would require 1,583 rural connectors, providing 60 trips per year.

The other way of looking at the potential is from the individual rural agency perspective. The Michigan research reveals that agencies in cities under 10,000 rarely produce more than one intercity passenger trip per day, while cities of 10,000 to 50,000 can range from one boarding to as many as 36 per day, on average. For example, Jackson, Michigan, is the busiest station in Michigan in that population category, with an average of 1,183 ticket sales per month during calendar 1989, and the ridership for the Jackson Rural Connector averaged 62.4 trips per month (plus 5-6 per day on the fixed route buses), resulting in an access mode split of 5.3 percent for the Rural Connector alone. This may be most of the potential demand for rural feeder service, which would suggest that this is a very successful project. For the other case study sites it appeared that the "market share" for the rural connection projects ranged from .2 to 13.2 percent, with monthly average RCP ridership between 3.4 and 11.1. This analysis suggests that rural operators who have 5-15 Rural Connection trips per month may also be achieving ridership success, if they are serving points that typically do not generate large numbers of intercity trips.

¹Eric R. Hansen and Edward A. Beimborn, et. al., The Benefits of Intercity Bus Service, University of Wisconsin - Milwaukee, p. 37.

Clearly more research is needed on the nature of the demand for this kind of service -- what are passenger volumes at agencies in rural areas, and what percentage of the ridership could or would use a public transportation alternative to reach intercity connections? Of the people attracted to the Rural Connection, how many are new riders, how many current riders diverted from some other access mode?

GOALS AND OBJECTIVES FOR THE RURAL CONNECTION

As indicated in the second chapter, few of the participants had any specific goals for the Rural Connection when the program was initiated. The lack of a goals statement, even if nothing quantifiable was ever developed, has affected the program by allowing participants to conceive different ones at different times, and by permitting the growth of elevated or inappropriate expectations (regarding ridership, revenue, and Greyhound support). To some extent, this has created an air of disappointment as early expectations by some operators were not met. Of course, the lack of a defined set of goals has also had the benefit of allowing the program to evolve considerably, as early ideas were found to be infeasible (such as insurance through Greyhound, vehicle leasing, etc.).

Although a definite, measurable set of objectives is desirable, the lack of information about the actual size of the market makes it difficult to set ridership or revenue targets. What is more important at this stage is to define the program and where it appears most likely to succeed, and to direct its future development. Suggested goals for each of the participant groups are provided in the report.

Rural Operator:

1. Provide service to the intercity bus station as part of an overall mission of providing comprehensive transportation service to the community.
2. Make the connection visible by providing information about it in all the normal channels and marketing efforts -- press releases, timetables, flyers, telephone information, posters, vehicle identification or ads. Other than the design and marketing manual, printing and placement is to be the responsibility of the local system. After the initial kickoff, marketing expenditures on the RC should be related to the level of local ridership.
3. Aim to generate enough ridership. At a minimum, offset direct Greyhound costs (Greyhound may require a minimum performance level) for listing of services -- this may be 5-10 Rural Connection passengers per month.
4. Provide the service on existing schedules by making the Greyhound Terminal(s) into a listed (on timetables, etc.) destination, eligible for service.
5. Add service only when a special traffic generator can be served that would allow grouping of Rural Connection trips, for example, five riders from the station to a VA Hospital, etc.

6. Use the RCP as an opportunity to link services or develop new roles -- with intercity carriers, Amtrak, as a commission agent, operating rural replacements services, or as a BPX delivery service, etc.
7. Use the RCP to make the Commission agent a partner -- if the RCP brings in riders the agent gains, and the agent is likely to be the main source of user information.

Greyhound:

1. Develop rural transit operators as a low-cost system of feeders.
2. Develop enough ridership at each RC to offset direct program costs, at a minimum.
3. Promote the RC nationally as a means of maintaining rural connections with the intercity trunk system.
4. Seek rural transit operators as rural commission agents, as a way of increasing their revenue stake in the RCP, developing intermodal connections, and increasing community awareness of both services.
5. Seek rural transit operators for RCP in locations where other conventional intercity services are not feasible, so that the intercity bus network does not lose those riders completely. RCP roles may include direct replacement services, connecting existing service to nearest Greyhound service point, developing alternative partial replacement services, etc.
6. Research the market for intercity-linked services in rural areas.
7. Work with CTAA, rural operators, state transit groups, etc. to expand funding for both rural transportation generally, and for rural intercity services.
8. Forge a public-private link, encourage innovative/comprehensive thinking on the part of transportation operators.

CTAA:

1. Provide information to rural operators through RTAP, publications, and at EXPO concerning the Rural Connection.
2. Continue to aid in identifying possible participants among the rural operators, though certainly on a much more informal basis -- in response to inquiries from operators, or through identification of areas with potential mobility problems resulting from intercity abandonment that may become known to CTAA through meetings or political sources.

IDENTIFICATION OF POTENTIAL FUTURE CHANGES

Although it was anticipated that there would be a number of program-related issues, especially regarding activities, funding, and responsibilities, it appears fairly clear that the major role played by CTAA in the identification of rural providers will be ending with the end of the UMTA demonstration grant, and that Greyhound will not be able to provide the levels of support and assistance that many of the current operators would like to see. However, even if CTAA and Greyhound were in a position to provide a lot of technical assistance and support for marketing, it is not clear that this would be a cost-effective kind of activity. Nevertheless, there are a number of actions that are appropriate and are recommended. These include:

- **Program Continuation and Development:** The RCP should be continued, but with modifications to focus the efforts of all parties on locations likely to produce enough ridership to offset the direct costs of the program. In addition, its scope should be broadened beyond simple feeder service, to emphasize rural operators becoming agents, providing replacement services where private intercity services are no longer feasible, offering package delivery, etc.
- **Market Research:** Expectations for Rural Connection ridership and revenue should be based on better information about rural intercity passenger demand, access modes, information sources, and travel alternatives. Intercity trips are generally infrequent, and in rural areas with low population densities, the overall demand is likely to be low, with dispersed origins, and high usage of private autos to reach bus stops. But little is actually known that could be used to quantify expectations for rural ridership.
- **Identification of Rural Connection Operators:** This study suggests that some rural operators are more likely to be successful in generating Rural Connection riders. Such systems:
 - will have a basic goal of providing Rural Connection service as part of their broader goals of providing comprehensive transportation services to their community,
 - will offer general public service,
 - will be willing to take responsibility for local promotion of the service,
 - will have the ability to include marketing of the system in their general program of public information,
 - will also likely have particular generators of intercity traffic, such as regional hospitals, prisons, colleges and universities, military bases, etc. within their service area, and
 - will connect to intercity service points that have service during the Rural Connector's normal service hours.

Application forms will need to be redesigned to allow potential applicants to evaluate their likelihood of success, facilitating self-identification.

- **Focus on Rural Connectors as Commission Agents:** Rural operator interest and participation will result from higher revenues and a more direct connection to the intercity system. Given the difficulty of finding and maintaining agencies in rural areas, increased emphasis should be placed on developing rural public transportation systems as bus commission agencies. Rural operator facilities could then be promoted and developed as intermodal facilities.
- **Focus on Rural Connectors in Areas Losing Service:** Although a number of funding, administrative, and regulatory barriers may limit the direct replacement of unprofitable intercity services in rural areas, there may well be cases in which rural operators could operate portions of a route, or provide scheduled connections to remaining services at other locations. Carrier abandonment procedures should be revised to include early identification of rural operators in the affected service areas, and consultation directly with them and with state departments of transportation to try and maintain the availability of intercity services during a transition. The most likely replacement carriers for intercity services are other private, regional intercity carriers with lower operating costs, and every effort should be made to locate and involve such firms as well.
- **Develop Criteria for Continued Program Participation:** Rural Connectors providing less than five trips per month on average, over a six month period, should be eliminated from the program. This represents a very minimal level of revenue, just sufficient to cover the direct costs of national listings of service.
- **Marketing:** Promoting the service locally will have to be clearly identified as a local responsibility. Supplementary public funding for this purpose should be sought, but at this time the intercity carrier role should continue to be the development of materials for local use, including: press releases, posters, brochures, cards, radio ads, etc. In addition, standardized fare promotions should be offered on a regular basis, and communicated to rural operators.
- **Funding for Russell's Guide Listings:** Currently Greyhound pays the direct costs of the monthly listings of RCP participants in Russell's Guide, the national intercity bus timetable. In order to be sure of continuing this basic linkage of the intercity system and the rural operators, it is recommended that Federal funding (perhaps a set-aside of a certain portion of RTAP) be used to fund these direct costs. At the same time, the Russell's Guide listings could be redesigned to reduce the costs, as virtually all of the operators listed provide advance reservation demand-responsive service, requiring only a brief description of the service area and the phone number. Shaded maps, or text descriptions of service areas could be used instead of the current format, which is designed to show scheduled stops on fixed routes. Possibly the listings could be placed on the same page as the timetable showing the intercity service to the connecting point.
- **Funding for Toll-Free Reservations:** The cost and difficulty of making reservations for connections at the destination end of a trip may be a deterrent to additional ridership, as the long-distance call may well cost as much or more than the RCP trip. A toll-free reservation system for making these reservations would reduce the cost and improve service, and could be developed as an incremental improvement on the Greyhound telephone information system (possibly linked to the reservation/information system for handicapped passengers). However, before trying such a program on a national basis, a statewide or regional demonstration is suggested, as proposed by the Michigan DOT.

- **Need for Increased Rural Public Transportation Funding:** The RCP demonstrates that it is difficult to expand ridership linking existing services when the level of service is so limited. Many rural operators cannot even afford to serve the general public, but are basically transporting only human service agency clients. Reauthorization legislation for Federal transportation programs must address the goals of and needs for rural public transportation along with the level of funding. Rural operators need to have sufficient resources and the program flexibility to serve both agency clients and the general public, if they are to begin to meet rural mobility needs. In addition, maintaining a rural intercity network is likely to require some operating assistance for intercity carriers, as demonstrated in a number of states.

At this time, the program should go forward with a revised, more realistic set of expectations and goals. The resources available for this program are limited -- at the local level, from state or Federal sources, and on the part of the carriers. Efforts must be made to identify those places that can and will produce ridership, but without requiring large expenditures for expanded services or marketing.

1

INTRODUCTION AND STATEMENT OF THE PROBLEM

BACKGROUND AND PURPOSE

Following the passage of the Bus Regulatory Reform Act of 1982 (BRRA), intercity carriers used their increased regulatory flexibility to discontinue many underutilized rural and small city services. This was understandable, in light of the competitive pressures resulting from the loss of cross-subsidies from charter and tour operations, and the deregulation of the airline industry. However, the loss in service to rural areas, documented in a number of studies, created an awareness of the need to devise a system that would allow rural areas to be connected with the remaining intercity bus service. The Greyhound Rural Connection Program (RCP), together with the Intercity Bus Feeder Project (IBFP) of the Community Transportation Association of America (CTAA), have been created to design and implement a means of linking existing rural public transportation services with those of the intercity carriers.

Overview of the Recent Developments in the Intercity Bus Industry

The intercity bus industry in the United States in 1989 bears only a partial resemblance to the industry as it existed in 1978. A continuing decline in the demand for regular-route service, coupled with airline deregulation in 1978, created major problems in the long-haul regular-route business base of the industry. At the same time, the demand for charter, tour, and other specialized services such as casino buses and airport service has been growing, leading to some major shifts in the focus of much of the industry. BRRA provided flexibility to the industry to deal with these trends by eliminating or reducing much of the Federal and state regulation that had governed the industry over the previous 50 years, setting the stage for the tremendous changes in the last seven years.

Many people who are not familiar with the industry and its services look back to its role in World War II, when demand for all public transportation in this country was at its peak due to gas rationing, the lack of new autos, tires and parts, and the need to move masses of people as part of the war effort.

Naturally, after the war demand fell, and the number of persons carried on schedules has been falling ever since, with some short term increases during the oil crises of 1973-74 and 1978-79. In 1981, the decline in ridership accelerated, and has continued to fall until recently. There are several reasons for the decline.

One is the general long-term trend toward increased auto ownership and usage. During the decade from 1975 to 1986, for example, the number of vehicles in use increased 22 percent, and the amount of vehicular usage increased 19 percent during the period from 1975-1984. The average number of vehicles per household in the United States increased from 1.05 to 1.61 between 1960-1980, and the majority of households in this country now have two or more vehicles available. The number of households without any auto declined from 22 percent of all households to 13 percent. This type of increase in auto availability is bound to have an effect on bus ridership, and it appears as a major part of the long-term exogenous decline in regular-route bus ridership.

A second factor affecting regular-route bus ridership in recent years has been increased competition from other modes. In 1971, Amtrak took over the national passenger rail system from the private railroads and set about creating a single national system. Initially one would have expected this development to aid the bus industry, because at its inception Amtrak operated only about half the number of trains the industry had run previously, and the system has grown very little. However the improvements in rail service, and aggressive pricing backed up by Federal subsidies, have resulted in increases in rail ridership. Some of these passengers would have taken intercity buses had the passenger rail system disappeared, and bus fares in some corridors would probably be higher without the Amtrak price competition, a situation leading the bus industry to become a major foe of Amtrak funding. In this context, it should be noted that a recent study for the bus industry has documented the huge disparity in Federal support provided to the intercity passenger modes during the period from 1960-1988, and the impact of those changes.¹ Over that period, total subsidies per passenger trip on Amtrak came to \$54.29 (in 1988 dollars), while total Federal subsidies per trip on intercity bus came to \$0.04. Commercial air carrier subsidies per trip amounted to \$7.20, by comparison. All of these figures are net of user fees. Clearly the intercity bus industry has not benefited from Federal support even as its major competitors have been provided with substantial resources. Over time, this imbalance has forced the industry to look for ways to lower costs and eliminate unprofitable services, including many rural routes.

Another aspect of modal competition which affected the bus industry was the increased competition in the package express business. Bus package express is provided on the regular route services as an incidental service, but one that has played an important role in providing additional revenue

¹Robert R. Nathan Associates, Inc., Federal Subsidies for Passenger Transportation, 1960-1988: Winners, Losers, and Implications for the Future, Washington, D.C., May 1989.

with very little increase in costs. However, the growth of UPS, Federal Express, Purolator and Airborne, offering next day service combined with pick-up and delivery, has also had an impact on bus package express. In the early 1980s, many restrictions on intrastate carriage of packages by UPS were lifted, and many bus shippers began to take advantage of UPS. The bus industry has responded by arranging local pickup and delivery in some cities, but again modal competition resulted in a revenue loss for the bus industry.

Another major impact on the bus industry came from airline competition in the wake of the Airline Deregulation Act of 1978. This act freed airlines to operate routes and schedules limited only by airport capacity, and to compete heavily on price. Coupled with the advance computerized reservations system installed by the airlines, which permit price discrimination to fill out available seats, discounted fares became available on almost all airlines. Low-fare service was also instituted by several new airlines, which used non-union labor and used aircraft to operate with seat-mile costs as low as those in the unionized, regulated bus industry. Carriers such as People Express invaded longer-haul bus markets such as Norfolk to New York, targeting bus riders in their advertising and offering comparable fares. Other carriers were forced to respond, and soon discount fares were available in many city-pair markets which formerly had provided good bus ridership. The loss of many long-haul passengers to the airlines forced the bus carriers to be especially concerned about reducing any losses in their systems, and they sought the freedom to respond to Amtrak and airline competition by having their own deregulation bill.

In November 1982 the BRRA became law, and it was widely viewed as a necessity if the industry was to continue to be a viable part of the private sector. The BRRA provided for increased flexibility in fares, greatly reduced control over entry to and exit from the business, and perhaps most importantly, it provided for pre-emption of state regulation under a number of circumstances. Carriers who were denied permission to abandon routes at the state level could apply to the ICC for authority to abandon as long as their variable costs exceeded the revenues. Similarly, if denied intrastate rate increases, the carrier could appeal to the ICC for the increases, as long as the proposed rates did not exceed interstate rate levels.

However, unlike earlier regulatory reforms dealing with the airline industry (and rail freight), no mechanism was provided in the BRRA to subsidize rural services that would otherwise be discontinued with free exit. The Airline Deregulation Act (ADA) included the Essential Air Service program, which provided funds to operate continued scheduled airline service to points that could not profitably be served by a deregulated airline industry. Given the modal competition and the lack of such a program, it is not surprising that the industry moved rapidly to take advantage of these reforms, dropping service to 1,500 points in the first year alone. Additional discontinuances followed, and it was estimated that by 1989 the number of points served had fallen from approximately 24,000 in 1960 to slightly over 10,000. Intrastate

rates were increased substantially, sometimes by up to 40 percent, using the pre-emption clauses in the act.

These actions caused additional losses in ridership, as the rural areas losing service no longer fed the trunk network and as the shorter-haul intrastate ridership dropped in response to the fare increases. These losses, coupled with the loss of long-haul riders to the airlines, created a precipitous decline in regular-route ridership, and doubts were heard about the continued viability of the industry. At the same time, the relaxation of entry controls over charters and tours resulted in a wholesale shift to the charter and tour markets, with many new low cost firms providing only charter service. Casino and airport service also were growth markets, but carriers providing regular route service were hurt by the increased charter competition which eliminated their ability to cross-subsidize unprofitable regular-tour service. Many smaller regional carriers dropped regular-route services altogether, while some others with substantial short-haul traffic were able to focus on the short-haul customer and make money. The two major national firms, Greyhound and Trailways, providing the bulk of the regular-route service, were in trouble.

The last two years have seen some major changes in the structure of the industry as a result of these difficulties. Greyhound Corporation began an effort to increase the profitability of the bus line by reducing its labor costs and its assets. This effort culminated in the rejection of a proposed national labor agreement in late 1986, which led Greyhound Corporation to sell the bus line to a group of individuals headed by Fred Currey of BusLease, Inc. The new firm negotiated a new contract, and began to focus on reviving the bus line, which operates under the same Greyhound Lines. New initiatives included efforts to find new terminal facilities in intermodal facilities, market driven pricing strategies, contracting and franchising of services, and the beginnings of the rural connection program. Meanwhile, Trailways Lines, Inc., the largest Trailways system carrier and the number two firm in the industry, began withdrawing service from entire states (rather than on a line-by-line basis) in an effort to shrink to a viable regional core. However, the firm appeared to be on the brink of bankruptcy, and was purchased by Greyhound Lines in an effort to retain the national intercity bus network.

Following the purchase, Greyhound instituted a moratorium on additional route abandonments, and began a program (the Greyhound/Trailways Rural Connection Program) to link-up with local rural public transit systems to allow its passengers to reach many of the same places previously abandoned. Pricing strategies were revised in an attempt to attract back many passengers lost to airlines and autos. Greyhound has also begun efforts to improve the quality and image of the services as well, including an emphasis on moving stations to modern intermodal facilities.

Developments in Rural Public Transportation

At the same time that the regular route intercity bus industry began to withdraw from rural areas, a new industry of local and regional transportation providers grew up to meet many local mobility needs. As various human service and anti-poverty programs began or grew during the 1960s and 1970s they recognized that clients in rural areas often could not gain access to the services being provided. Transportation services focused on client trips were developed, along with more general services targeted to low-income riders. Many of these programs were operated by private non-profit agencies, rather than public entities, though most relied on public funding to operate service. By the early 1970s efforts to develop rural transportation resources led to the Section 147 Rural Public Transportation Demonstration Program under the Federal Highway Administration (FHWA). This program funded approximately 100 demonstration projects across the country. Many of these involved the coordination of human service agency transportation programs to produce improved effectiveness and efficiency. Partly as a result of the Section 147 program evaluation, Section 18 of the Surface Transportation Act of 1978 included \$75 million per year to provide capital and operating assistance for public transportation in rural and small urban areas (under 50,000 population). At the same time the Section 16(b)(2) program was funded to provide capital assistance only for private non-profit organizations that provide transportation to the elderly and handicapped. These two funding sources, implemented at first by the FHWA and later through the Urban Mass Transportation Administration (UMTA), provided Federal funds through the states to rural providers.

This led to a period of growth and renewal in rural public transportation, with the creation of many Section 18 systems, and the development of coordinated systems using Section 16(b)(2) funded vehicles. By 1989 it was estimated that there were more than 10,000 local community transit systems, of which 1,160 were Section 18 systems (serving the general public in areas under 50,000 persons). These Section 18 systems operate an estimated 10,100 vehicles, mostly vans and small buses. Services are generally provided as demand-responsive service, subscription service, or regular fixed route, fixed schedule service.

The Rural Connection Program

The idea of linking existing rural public transportation programs with the remaining intercity bus routes has existed in various forms for some time, but did not really begin to take hold until it was apparent that there were substantial numbers of such operations, and that they had developed significant capabilities to provide transportation services in rural areas. The report of the Motor Carrier Ratemaking

Study Commission in 1983 documented the loss of rural service at 2,154 points in the year following passage of the BRRA, and suggested that rural public operators could take intercity passengers to the nearest remaining intercity bus stops to maintain rural intercity mobility, particularly for the elderly.² However, some of the first attempts to create some linkages revealed some problems.

In Iowa, an UMTA demonstration project involving rural operators linking small towns to Jefferson Line services found that ridership was quite low, particularly in areas that had lost intercity bus service some time before. Apparently in those areas it was not possible to make the public realize that a bus connection had been reinstated. In addition, frequent shifts in the location of intercity bus stops prevented the development of local knowledge about where to wait for the bus. Inbound travel was also difficult to arrange.

In Vermont, Stagecoach, a rural operator, became the Vermont Transit agent in Randolph. The Stagecoach office was the terminal, and rural services provided the option of connections to daily intercity bus schedules. However, despite marketing efforts, ridership was low, and the resulting revenue came mainly from the sale of charters and tours on Vermont Transit.³

However, knowledge of these programs was not widespread, and the rural linkage program began with enthusiastic support from rural public transportation operators, with a number of the most innovative ones eager to join up. The program offered four basic ways in which a local system could participate with Greyhound, including taking passengers to designated intercity bus stops and picking them up at those locations, using an additional ticket coupon in the intercity bus ticket, or a separate ticket and fare. Greyhound has developed a marketing guidebook and materials for use by the rural operators to market the availability of feeder service, and is making the materials available at reasonable cost. The linkages are shown in Russell's Official Bus Guide, which virtually all intercity bus terminal staff and agents have as their basic schedule and service reference. Also, the Greyhound national telephone information centers have this same information, and can provide information on linkages to users and agents. Rural operators can expand on the passenger linkage by carrying packages shipped by bus package express. A rural operator can also become the commission agent of the bus company, selling tickets, providing information and waiting facilities, and handling bus package express while also operating the rural services. In some cases, the linkage between the rural and intercity services can take place at a shared intermodal terminal.

²Motor Carrier Ratemaking Study Commission, A Report to the President and the Congress of the United States, Part Two, Implementation of the Bus Regulatory Reform Act of 1982: The Impact on Older Americans and the Effect on Intrastate Bus Services, pp. 389-393.

³Ecosometrics, Inc., Innovative Funding for Intercity Modes, A Casebook of State, Local and Private Approaches, prepared for the U.S. Department of Transportation, Office of Technology and Planning Assistance, July, 1987, pp. 39-41.

Combinations of these different ways of providing service under the Rural Connection program vary considerably, depending on many factors. One of the key questions of this study concerns the ways in which the various means of participation, and the characteristics of the local and intercity services, may aid or reduce the success of the program.

Initially support was enthusiastic, and the numbers of participating rural providers grew quickly to the current 69 rural systems. In addition, Greyhound realized that rural connection services might also be operated by some of its commission agents, and a companion program was developed to support these independent private contractors. Other intercity carriers had also worked on similar programs, such as Jefferson Lines, and Vermont Transit, and their efforts were also seen to be a part of this general approach to linking rural areas with intercity bus lines. However, it was not long before some issues arose.

Some Key Issues

Initially, problems arose mainly from the high expectations of many of the participants. Rural providers sought marketing help from Greyhound, and waited for the development and provision of marketing materials. Ridership was (and is) generally low, unless there is promotion of heavily discounted fares. Some disappointment arose as a result of the fact that hordes of riders did not appear simply as a result of the listing in Russell's Guide and the Greyhound information service. However, some significant problems quickly emerged:

- **Service Hours:** Most rural public transportation systems do not operate at all in the evenings, and on weekends. Peak ridership times on intercity bus services are Friday afternoon and evening, and on Sunday afternoon and evening. Thus the rural systems cannot provide the link at those times most likely to be used. In addition, many intercity bus services are scheduled to provide convenient arrival and departure times at major cities, with the result that rural stops may be late at night or early in the morning, when rural providers are not able to provide service.
- **Stops:** In many rural areas stops are at places along the road, or at local businesses such as motels and gas stations, that are not conducive to waiting passengers. Businesses may be closed, and remote locations may be unsafe or exposed to the weather. Rural operators typically do not operate any kind of terminal or transfer center, and routes often are designed to serve major social service agency locations. Passengers are not likely to respond to long waits at remote rural locations, and so the lack of a suitable site for making the connection may have dampened demand.

- **Marketing:** Most rural operators have not developed much in the way of marketing programs, and have little or no budget for marketing any services, much less the Rural Connection. Much of the ridership on these systems consists of social service agency clients, with limited general public ridership. Among the general public riders, large numbers are elderly. The rural transportation customer base is different from the intercity bus rider profile, which is likely to be higher income and younger. To reach the potential intercity bus riders in an area, marketing is needed to reach beyond the existing customers of the rural systems.

These problems become critical when the tight financial condition of rural public transportation systems is known, because there is little that they can do on their own to expand service to evening and weekend hours, build or operate terminals, or even market the service. Additional revenues from the connection would not justify the heavy expenses needed to add service or market the rural connection. In addition, for many rural systems, subsidies for each passenger-trip have to be billed to either an agency contract or a particular funding source. Taking passengers to an intercity connection required the use of Section 18, local or state subsidies in cases where the total cost of the trip exceeded the revenue from the operator's portion of the intercity ticket. In many cases, operators do not receive any revenue from inbound passengers. Thus many rural operators may perceive Rural Connection services as increasing their need for funding, not reducing it.

These problems became evident to Greyhound, and led to the proposal by Mr. Fred Currey, President of Greyhound Lines, for a doubling in size of the Federal Section 18 programs to enable rural providers to provide meaningful general public service, including evening and weekend hours. Terminals were also addressed by this proposal. However, in the light of current Federal budget problems, the outcome of this proposed legislation is doubtful.

Another issue that arose came from the orientation of many rural operators, who serve handicapped individuals who use wheelchairs. Most rural operators have lift-equipped vans or buses to provide this service, and they raised concerns over the lack of lifts on intercity coaches, despite the Greyhound Helping Hand program. While this may not have affected ridership, it also reflected a difference in goals, and became an issue between some rural operators and the private carriers.

Greyhound and the private intercity carriers count on bus package express to aid revenues on regular route service, and bus package express is one of the most important services provided in rural areas. It was anticipated that rural operators could also provide package express delivery, providing additional revenue. Yet in many areas intrastate regulation of trucking and freight service created barriers to this arrangement, by requiring rural operators to apply for operating authority and file tariffs. Also, many rural operators did not have secure places, either on vehicles or in offices, for storing packages.

Some systems have had problems with the local commission agent. Most rural intercity bus ticket agents are independent businesses who receive a commission on each ticket sold or package shipped.

Most have little knowledge of rural public transportation in their area, and many have been less than cooperative in selling tickets on the rural system, providing information, or even allowing rural operators to drop off passengers on their property.

A review of the listings of rural operations in Russell's also highlights a potential user problem, in that many of the rural services are listed as on-call. The passenger then has the responsibility of calling in advance to make arrangements to be picked up or dropped off. Often these arrangements must be made at least 24 hours in advance, and if the prospective rural passenger is inbound, it is not at all clear what needs to be done to make the linkage to the rural system. This is further complicated by the fact that many of the rural services operate only on particular days.

It is unclear to what extent these problems have prevented the intercity feeder program from achieving its full potential -- that is what this study is intended to find out. In the following chapters the goals of the participants are presented, along with an evaluation of the degree to which those goals have been achieved. In addition, recommendations for the future direction of the program will be presented.

2

PROGRAM OVERVIEW

In this chapter an overview of the current status of the program will be provided, along with a discussion of the goals of the participants in the program, a listing of current participants, and a description of how the program is intended to work. Much of the information in this chapter was obtained from a survey of the participating rural operators. The survey form used is included in this report as Appendix A. Also included is a list of the operators who were surveyed, and a listing of those who responded. Much additional information concerning goals and program operations was obtained from interviews of participating agencies (CTAA, Greyhound Lines, UMTA, and the Michigan Department of Transportation Intercity Program) and program materials. Also, several of the operators were interviewed on site, and information from these site visits is used throughout the report to further explain or illustrate key points from the survey results. The rural operators that were interviewed included:

- Capital Area Rural Transportation System, Inc., (CARTS), Austin, Texas
- JAUNT, Inc., Charlottesville, Virginia
- Jackson Transit Authority, Jackson, Michigan
- Berrien Bus, Benton Harbor, Michigan

Complete reports on these case studies are found later in the report.

CURRENT STATUS OF THE PROGRAM

Participants

There are currently 74 transit systems participating in the Rural Connection Program. The Rural Connection Program Participant Survey was mailed to 76 systems. Two of these systems are no longer operating (Region 14 Regional Transit System, Jeffersonville, Indiana, and Champ, Express, Lake Placid,

New York). Eight of the remaining systems are subcontractors under one agency (CARTS, Austin, Texas) and are grouped together as one system for the purpose of this study, bringing the number of Rural Connection Program participants to 67. These are listed in Table 2-1 which also lists the agency location, service area, Greyhound Terminals served, and survey response.

Most of the 67 participants are located in the Southeastern and Midwestern United States. Twenty states have systems participating in the Rural Connection Program. The breakdown by state of Rural Connection Program participants, survey respondents, and response rates is shown in Table 2-2.

Of these 67 transit systems, 36 of them returned the Rural Connection Program Participant surveys. The list of contacts, addresses, and phone numbers are in Appendix A organized alphabetically by state. We followed up on all 31 of the non-responding systems by phoning them at least twice. A list of the non-responding systems and the action taken to elicit a response is in Appendix B.

Revenue Generated

The survey results confirm that the program has not been a big success in terms of generating revenue for the rural transit systems participating in the program. As shown in Table 2-3 the total revenue from December 1987 to November 1989 collected from Greyhound by the survey respondents for transporting connecting passengers was \$3,194.00. This figure does not include fares that the rural systems may have charged these connecting passengers in addition to Greyhound revenue or state supported financial assistance.

The most successful system in terms of generating revenue has been the City of Jackson Transportation Authority, Jackson, Michigan. They have received \$1,434.00 from Greyhound for connecting passengers from September 1988 to November 1989. This works out to about \$95.60 per month in revenue for the system.

Isabella County Transportation Commission, Mt. Pleasant, Michigan, is the second most successful system in terms of revenue generation. They have collected \$652.50 for transporting connecting Greyhound passengers from August 1988 to November 1989. Their revenue per month from Greyhound for this period was \$41.00.

It is important to note that both of these systems are located in Michigan, a state which provides financial assistance to Rural Connection Program participants. In addition to the revenue provided by Greyhound for transporting the connecting passengers, these systems also receive money from the state to offset some of the added expenses of participating in the program. Both of these programs use the state money to expand their operating hours to help meet the demands of intercity passengers who most frequently travel during weekend and evening hours.

**Table 2-1: ITEMIZATION OF PARTICIPANTS
RURAL CONNECTION PROGRAM: RURAL OPERATORS**

NAME OF SYSTEM	CITY	STATE	SERVICE AREA	GREYHOUND TERMINALS SERVED	RETURNED SURVEY
Community Action Agency of Calhoun, Cleburne and Cherokee Counties, Inc. (CARTS)	Anniston	AL	Counties of Calhoun, Cleburne and Cherokee	Anniston, Piedmont	no
Coordinated Accessible Rural Transit System (CARTS)	Birmingham	AL	County of Jefferson	Birmingham, Bessemer	yes
H.E.L.P., Inc.	Carrollton	AL	County of Pickens	Reform	yes
Northwest Alabama Transportation Services (Dial-A-Ride)	Jasper	AL	Counties of Walker, Winston, Fayette and Lamar	Winfield, Sulligent, Jasper, Carbon Hill	no
Southwest Alabama Transit System (SEATS)	Enterprise	AL	Counties of Coffee, Dale, Geneva, Houston, Henry, Barbour, Bullock, Crenshaw, Covington, Pike and Butler	Ozark, Evergreen, Greenville, Dothan, Troy, Tuskegee, Eufaula	no
West Alabama Health Service	Eutaw	AL	Counties of Greene, Marengo, Sumter, Choctaw and Wilcox. Limited service in counties of Clark and Hale	Demopolis, Eutaw, York, Livingston	yes
Region Six Planning Commission	Marshalltown	IA	Counties of Hardin, Marshall, Poweshiek and Tama	Grinnell, Marshalltown, LeGrande, State Center, Tama	yes
East Central Iowa Transit	Cedar Rapids	IA	Counties of Benton, Iowa, Johnson, Jones, Linn and Washington	Iowa City, Anamosa, Monticello, Springville, Cedar Rapids	yes
Heart of Iowa Regional Transit Agency	Des Moines	IA	Acts as a broker; provides managerial service only. Counties of Boone, Dallas, Jasper, Madison, Marion, Story and Warren	Boone under Heart of Iowa	no
Boone County Transportation	Boone	IA	Boone County; Subcontractor under Heart of Iowa	Boone	no
Homecare Services, Inc.	Adel	IA	Dallas County; Subcontractor under Heart of Iowa	Des Moines	yes
Progress Industries	Newton	IA	Jasper County; Subcontractor under Heart of Iowa	Newton	no
Story County Council on Aging (COA)	Ames	IA	Story County; Subcontractor under Heart of Iowa	Colo, Ames	no

Table 2.1 Continued

NAME OF SYSTEM	CITY	STATE	SERVICE AREA	GREYHOUND TERMINALS SERVED	RETURNED SURVEY
Warren County Community Action Indianola Agency (CAA)		IA	Warren County; Subcontractor under Heart of Iowa	Des Moines	yes
Northland Regional Transit Commission	Waterloo	IA	Counties of Blackhawk, Bremen, Waterloo, Independence, Cedar Falls, Butler, Buchanan, Grundy and Chickasaw	no	
Siouxland Regional Transit	Sioux City	IA	Cherokee, Ida, Monona, Onawa and Sioux City Plymouth and Woodbury Counties	no	
CEFS Economic Opportunity Corp.	Effingham	IL	Fayette, Clay, Montgomery and Shelby Counties	Effingham and Vandalia	no
Rides Transportation Project	Rosiclare	IL	Pope, Hardin, Gallatin, Saline, White and Hamilton Counties	Vienna, Marion	yes
Area 10 Agency (DBA) Rural Transit	Bloomington	IN	Monroe, Owen and Putnam Counties	Bloomington	no
Transportation for Rural Areas of Madison County (TRAM)	Anderson	IN	Madison County	Anderson, Indiana	yes
Region 14 Regional Transit Authority	Jeffersonville	IN	Counties of Clark and Floyd	Louisville, Ky.	no
Blue Grass Community Action Agency (BUS)	Frankfort	KY	Counties of Anderson, Scott, Woodford, Franklin, Mercer, Washington, Boyle, Casey, Lincoln, Garrard, and Jessamine	Frankfort, Lexington, Versailles, Harrodsburg, Stanford, Dannville, Georgetown	yes
Community Action Transportation System (C.A.T.S.)	Lexington	KY	Counties of Nicholas, Bourbon and Harrison	Lexington	yes
Fulton County Transit Authority	Fulton	KY	Counties of Graves, Fulton and Fulton, Mayfield Hickman in Ky. Counties of Lake and Obion in Tennessee.	yes	
Green River Intra-County Transit System (G.R.I.T.S.)	Owensboro	KY	Counties of Davies, Hancock, Henderson, McLean, Ohio, Union, and Webster	Hawesville, Owensboro, Lewisport, Sturgis, Morganfield, Madisonville, Corydon, and Henderson	yes
Bay Area Transportation Authority	Traverse City	MI	Counties of Leelanau and North Grand Traverse	Traverse City	yes
Berrien Bus	Berrien Springs	MI	Berrien County	Benton Harbor	no

Table 2.1 Continued

NAME OF SYSTEM	CITY	STATE SERVICE AREA	GREYHOUND TERMINALS SERVED	RETURNED SURVEY
City of Jackson Transportation Jackson Authority	MI	County of Jackson	Jackson, South Michigan State Prison	yes
Isabella County Transportation Mt. Pleasant Commission	MI	County of Isabella	Mt. Pleasant, Clare	yes
Muskegon Area Transit System (MATS)	North Muskegon	Muskegon County, serves only the following: Muskegon, Muskegon Heights, Norton Shores and Roosevelt Park	Muskegon	yes
Twin Cities Area Transportation Authority	Benton Harbor	Urbanized area of Benton Harbor and St. Joseph	Benton Harbor	yes
Southeast Missouri Transportation Service, Inc.	Fredericktown	26 Counties-- Hwy 63 N/S, Hwy 8-329 W	Poplar Bluff, Rolla	yes
Coast Area Transit	Gulfport	Hancock, Harrison and Jackson Counties	Biloxi, Gulfport	no
Madison County Human Resource Agency (MAD TRAN)	Canton	Madison, Yazoo and Hinds County (outside Jackson city limits)	Canton, Jackson, Yazoo City	no
Simpson County Human Resource Agency	Mendenhall	Simpson County	Mendenhall and Jackson	no
Choanoke Public Transportation Rich Square Authority		North Hampton, Hertford, Halifax and Bertie Counties	Roanoke Rapids and Rocky Mount	no
Yadkin Valley Economic Development District, Inc.	Booneville	Davie, Stokes, Surry, and Yadkin Counties	Mocksville, Winston Salem, Mt. Airy	no
Blue Valley Community Action, Inc. (Fillmore County Rural Transit)	Fairbury	Fillmore County	Lincoln	no
York County Transportation- Handibus/Busy Wheels	York	York County; Subcontractor under Blue Valley Community Action, Inc.	yes	
Blue Rivers Area Agency on Aging	Beatrice	Counties of Thayer, Jefferson, Gage, Pawnee, Johnson, Otoe, Nemaha, Richardson	Nebraska City, Omaha, Lincoln	yes
Dawson County Handibus	Lexington	Dawson County	Lexington, Gothenburg, Cozad	no
Deuel County Senior Citizens Bus	Chappell	Deuel County	Julesburg, Colorado, Chappell and Big Springs Jr., NE.	no

Table 2.1 Continued

NAME OF SYSTEM	CITY	STATE SERVICE AREA	GREYHOUND TERMINALS SERVED	RETURNED SURVEY
First Tennessee Human Resource Agency	Johnson City	TN Carter, Washington, Sullivan, Greene, Johnson, and Hawkins Counties	Johnson City and Jonesborough	no
Hamilton County Rural Transportation Services	Chattanooga	TN Hamilton County	Chattanooga	no
Mid-Cumberland Regional Transit Agency	Nashville	TN Wilson, Rutherford, Cheatham, Davidson, Dickson, Houston, Humphreys, Montgomery, Robertson, Stewart, and Trousdale Counties	Lebanon, Dickson, Waverly, Clarksville, Springfield and Murfreesboro	no
Northwest Tennessee Human Resource Agency	Martin	TN Benton, Gibson, Dyer, and Crockett Counties	Dyersburg, Camden, Huntingdon, no and Jackson	yes
Southeast Tennessee Human Resource Agency (Rural Transportation Authority)	Dunlap	TN Bledsoe, Bradley, Grundy, McMann, Marion, Meigs, Polk, Rhea, and Sequatchie Counties	Chattanooga, Monteagle, South Pittsburg, Cleveland, and Athens	yes
Southwest Human Resource Agency	Henderson	TN Madison, Hardeman, Haywood, Henderson, Decatur, McNairy, Hardin, and Chester Counties	Selmer, Lexington, Parsons, Henderson, and Jackson	no
Capital Area Rural Transportation System (CARTS)	Austin	TX Provides managerial service only to seven subcontractors.	San Marcos, Austin, Blanco, and Johnson City	yes
Community Action Transportation System	San Marcos	TX Subcontractor under CARTS Blanco, Caldwell and Hays Counties	San Marcos, Austin, Blanco, and Johnson City	yes
Community Transit Services	Smithville	TX Subcontractor under CARTS Bastrop, Fayette, and Lee Counties	Schulenburg	yes
Hill County Senior Citizens	Dripping Springs	TX Subcontractor under CARTS Hays County	Austin	yes
Lockhart Community Education Transportation	Lockhart	TX Subcontractor under CARTS Caldwell County (Lockhart Area)	Luling	yes
Luling Senior Citizens, Inc.	Luling	TX Subcontractor under CARTS Caldwell County (Luling Area)	Luling	yes
Travis County Department of Human Services	Austin	TX Subcontractor under CARTS (Outside of Austin)	Austin	yes

Table 2.1 Continued

NAME OF SYSTEM	CITY	STATE	SERVICE AREA	GREYHOUND TERMINALS SERVED	RETURNED SURVEY
WBCO Transportation Services	Round Rock	TX	Subcontractor under CARTS Williamson and Burnet County	Georgetown, Round Rock, Taylor, Temple, Marble Falls and Burnet	yes
People for Progress (DBA - Stage)	Sweetwater	TX	Nolan, Rural Taylor, Scurry, Fisher and Mitchell Counties	Abilene, Sweetwater and Colorado City	no
Texoma Area Paratransit System, Inc. (TAPS)	Denison	TX	Cooke, Fannin and Grayson Counties	Gainesville, Denison, Sherman, Greenville, Paris, and Commerce	yes
JAUNT, Inc.	Charlottesville	VA	Albermarle, Greene, Fluvanna, and Nelson Counties	Lovington, Covington, Charlottesville, and Shadwell	yes
Potomac Valley Transit Authority	Petersburg	WV	Grant, Hampshire, Hardy, Mineral, and Pendleton	Cumberland, Md., Winchester, Va., Harrisonburg, Va.	yes

Table 2-2 RURAL CONNECTION PARTICIPANTS BY STATE

STATE	NUMBER OF RCP SYSTEMS	NUMBER OF RCP RESPONDENTS	RESPONSE RATE
ALABAMA	6	3	50%
ILLINOIS	2	1	50%
INDIANA	2	1	50%
IOWA	10	4	40%
KENTUCKY	4	4	100%
MICHIGAN	6	5	83%
MISSISSIPPI	3	0	0%
MISSOURI	1	1	100%
NEBRASKA	11	7	64%
NEW MEXICO	1	1	100%
NEW YORK	3	3	100%
NORTH CAROLINA	2	0	0%
OHIO	1	0	0%
OREGON	1	0	0%
PENNSYLVANIA	1	0	0%
SOUTH CAROLINA	1	1	100%
TENNESSEE	7	1	14%
TEXAS	3	2	67%
VIRGINIA	1	1	100%
WEST VIRGINIA	1	1	100%

**Table 2-3: RURAL CONNECTION PROGRAM
RIDERSHIP AND REVENUE TOTALS**

NAME OF SYSTEM	TOTAL			TOTAL			TOTAL			REVENUE	
	STATE PASSENGER REVENUE	INBOUND RIDERSHIP	OUTBOUND RIDERSHIP	TOTAL RIDERSHIP	TOTAL RIDERSHIP	TOTAL RIDERSHIP	PER TRIP	PER TRIP	PER TRIP	PER TRIP	PER TRIP
COORDINATED ACCESSIBLE RURAL TRANSIT SYSTEM (CARTS)	AL	\$6.00	8	16	24	24	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25
H.E.L.P., INC.	AL	\$0.00	0	0	0	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WEST ALABAMA HEALTH SERVICE	AL	\$508.00	27	173	200	200	\$2.54	\$2.54	\$2.54	\$2.54	\$2.54
EAST CENTRAL IOWA TRANSIT	IA	\$0.00	0	5	5	5	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HOME CARE SERVICES, INC.	IA	\$13.00	0	5	5	5	\$2.60	\$2.60	\$2.60	\$2.60	\$2.60
REGION SIX PLANNING COMMISSION	IA	\$0.00	0	0	0	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WARREN COUNTY SENIOR CITIZEN RIDES TRANSPORTATION PROJECT	IL	\$4.50	0	2	2	2	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25
TRANSPORTATION FOR RURAL AREAS OF MADISON COUNTY	IN	\$0.00	0	0	0	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BLUE GRASS COMMUNITY ACTION AGENCY	KY	\$5.50	8	3	11	11	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50
COMMUNITY ACTION TRANSIT SYSTEM	KY	\$16.00	6	10	16	16	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
FULTON COUNTY TRANSIT AUTHORITY	KY	\$12.00	11	12	23	23	\$0.52	\$0.52	\$0.52	\$0.52	\$0.52

Table 2-3 Continued

NAME OF SYSTEM	STATE	PASSENGER REVENUE	TOTAL INBOUND RIDERSHIP	TOTAL OUTBOUND RIDERSHIP	TOTAL RIDERSHIP	REVENUE PER TRIP
GREEN RIVER INTRA-COUNTY TRANSIT SYSTEM (GRITS)	KY	\$6.00	0	6	6	\$1.00
BAY AREA TRANSPORTATION AUTHORITY	MI	\$62.50	36	56	92	\$0.68
CITY OF JACKSON TRANSPORTATION AUTHORITY	MI	\$1,434.00	624	333	957	\$1.50
ISABELLA COUNTY TRANSPORTATION COMMISSION	MI	\$652.50	197	383	580	\$1.13
MUSKEGON AREA TRANSIT SYSTEM (MATS)	MI	n/a	n/a	n/a	32	\$0.00
TWIN CITIES AREA TRANSPORTATION AUTHORITY	MI	\$0.00	168	135	303	\$0.00
SOUTHEAST MISSOURI TRANSPORTATION SERVICE, INC.	MO	\$0.00	5	0	5	\$0.00
BLUE RIVERS AREA AGENCY ON AGING	NE	\$34.00	10	12	22	\$1.55
EASTERN NEBRASKA OFFICE ON AGING	NE	\$0.00	0	0	0	\$0.00
HALL COUNTY HANDIBUS	NE	\$42.50	0	11	11	\$3.86
SALINE COUNTY AREA TRANSIT	NE	\$0.00	19	28	47	\$0.00
SAUNDERS COUNTY HANDI-VAN	NE	\$0.00	0	0	0	\$0.00

Table 2-3 Continued

NAME OF SYSTEM	STATE	PASSENGER REVENUE	TOTAL RIDERSHIP	TOTAL INBOUND RIDERSHIP	TOTAL OUTBOUND RIDERSHIP	TOTAL RIDERSHIP	TOTAL RIDERSHIP	REVENUE PER TRIP
SENLOW TRANSPORTATION PROGRAM	NE	\$0.00	0	0	3	3	3	\$0.00
YORK COUNTY TRANSPORTATION HANDIBUS/BUSY WHEELS	NE	\$0.00	0	0	0	0	0	\$0.00
DART TRANSPORTATION	NM	\$81.50	60	18	78	78	78	\$1.04
CHATAQUA AREA RURAL TRANSIT	NY	\$0.00	0	0	0	0	0	\$0.00
CLINTON AREA RURAL TRANSIT	NY	\$0.00	0	19	19	19	19	\$0.00
GADABOUT TRANSPORTATION SERVICES, INC.	NY	\$0.00	0	0	0	0	0	\$0.00
PEE DEE REGIONAL TRANSPORTATION AUTHORITY (PDRTA)	SC	\$5.90	1	0	1	1	1	\$5.90
SOUTHEAST TENNESSEE HUMAN RESOURCE AGENCY	TN	\$0.00	0	0	0	0	0	\$0.00
CAPITAL AREA RURAL TRANSPORTATION SYSTEM- GREYHOUND	TX	\$116.00	43	64	107	107	107	\$1.08
CAPITAL AREA RURAL TRANSPORTATION SYSTEM- KERRVILLE	TX	\$70.00	3	53	53	56	56	\$1.25
TEXOMA AREA PARA TRANSIT SYSTEM	TX	\$65.50	21	44	44	65	65	\$1.01
JAUNT	VA	\$44.00	33	35	35	68	68	\$0.65
POTOMAC VALLEY TRANSIT AUTHORITY	WV	\$15.00	0	5	5	5	5	\$3.00
TOTALS		\$3,194.40		1,280		1,432		\$1.18
								2,744

A complete list of each responding system and their total passenger revenue received from Greyhound is located in Table 2-3. The revenue collected from package express was not included in this table because none of the respondents have package express service.

Ridership Data

Ridership for the Rural Connection Program is low. The total Rural Connection ridership for the responding systems involved with the program from December 1987 to November 1989 was 2,712. The highest level of ridership was reported by the City of Jackson Transportation Authority, Jackson, Michigan, with 957 total riders. Only five systems reported more than 150 riders over the course of the program. All of these five systems have extended hours, and three of them are located in Michigan. As mentioned above, Michigan subsidizes the Rural Connection Program. A complete list of each responding system, their inbound ridership, their outbound ridership, and their total ridership is located in Table 2-3.

Performance Measures

For the Rural Connection Program itself, the only data which can be examined to determine performance are the revenue and the ridership figures. The revenue collected per Rural Connection trip for each responding system is listed in Table 2-3. The most revenue collected per trip by a rural connector was reported by Pee Dee Regional Transportation Authority, Florence, South Carolina. They collected \$5.90 per trip. That figure is impressive until you see that Pee Dee has only carried one passenger and the revenue from that one trip was \$5.90.

The City of Jackson Transportation Authority, which reported the highest ridership and revenue totals, had a revenue per rural connection trip of \$1.50. Isabella County Transportation Commission had the second highest revenue and ridership figures with a revenue per trip of \$1.13. As with the revenue data, these figures do not include fares charged or state assistance.

Other performance measures were used to evaluate each system as a whole, apart from the Rural Connection Program. These measures included systemwide cost per trip, cost per mile, and trips per mile. The systemwide performance measures are listed alphabetically by state in Table 2-4.

One interesting point is whether or not participants recover their RCP costs in combined fare and Greyhound Commission revenue. For example, of the two systems with the highest revenue and ridership totals one may be recovering costs (looking at the cost of an average trip), while the other does not. For the Jackson Transit Authority, the cost per trip systemwide is \$2.87, while average RCP revenues are \$1.50 in Greyhound commission revenue and \$1.50 or \$2.00 in fare revenue per trip (depending on

Table 2-4: PERFORMANCE MEASURES: RURAL CONNECTOR PARTICIPANTS

NAME OF SYSTEM	ANNUAL OPERATING BUDGET	ANNUAL RIDERSHIP	ANNUAL VEHICLE MILES	COST PER TRIP	COST PER MILE	TRIPS PER MILE
Coordinated Accessible Rural Transit System (CARTS)	337975	62932	393984	\$5.37	\$0.86	0.16
H.E.L.P., Inc.	278681	68845	250552	\$4.05	\$1.11	0.28
West Alabama Health Service	825000	796040	1183900	\$1.04	\$0.70	0.67
Region Six Planning Commission	240519	97091	419828	\$2.48	\$0.57	0.23
East Central Iowa Transit	1300000	331209	978427	\$3.93	\$1.33	0.34
Homecare Services, Inc.	129000	34147	170675	\$3.78	\$0.76	0.20
Warren County Community Action Agency (CAA)	43862	15000	53400	\$2.92	\$0.82	0.28
Rides Transportation Project	525105	125077	424365	\$4.20	\$1.23	0.29
Transportation for Rural Areas of Madison County (TRAM)	151189	11004	139722	\$13.74	\$1.08	0.08
Blue Grass Community Action Agency (BUS)	505759	176388	820843	\$2.87	\$0.62	0.22
Community Action Transportation System (C.A.T.S.)	247613	53000	177000	\$4.67	\$1.39	0.30
Fulton County Transit Authority	156000	50000	216000	\$3.12	\$0.72	0.23
Green River Intra-County Transit System (G.R.I.T.S.)	369846	140743	300000	\$2.63	\$1.23	0.47
Bay Area Transportation Authority	1241000	333000	1081654	\$3.73	\$1.15	0.31

Table 2-4 Continued

NAME OF SYSTEM	ANNUAL OPERATING BUDGET	ANNUAL RIDERSHIP	ANNUAL VEHICLE MILES	ANNUAL COST PER TRIP	COST PER MILE	TRIPS PER MILE
City of Jackson Transportation Authority	2215000	772983	887093	\$2.87	\$2.50	0.87
Isabella County Transportation Commission	1300000	300000	800000	\$4.33	\$1.63	0.38
Muskegon Area Transit System (MATS)	1400000	554010	552488	\$2.53	\$2.53	1.00
Twin Cities Area Transportation Authority	714035	145835	321471	\$4.90	\$2.22	0.45
Southeast Missouri Transportation Service, Inc.	1000000	300000	1600000	\$3.33	\$0.62	0.19
York County Transportation-Handibus/Busy Wheels	47479	15600	42780	\$3.04	\$1.11	0.36
Blue Rivers Area Agency on Aging	259255	77500	200000	\$3.35	\$1.29	0.39
Eastern Nebraska Office on Aging	N/A	N/A	N/A	N/A	N/A	N/A
Saline County Area Transit	61000	6200	52000	\$9.84	\$1.17	0.12
Saunders County Handi Van	28989	2675	16891	\$10.84	\$1.72	0.16
Hall County Handibus	94617	28000	52500	\$3.38	\$1.80	0.53
SENLOW Transportation System	150671	37349	126010	\$4.03	\$1.20	0.30
DART Transportation	63000	6620	69312	\$9.52	\$0.90	0.10
Chautauqua Area Rural Transit (CARTS)	506043	82600	579459	\$6.13	\$0.87	0.14
Clinton Area Rural Transit	322321	75940	317371	\$4.24	\$1.02	0.24

Table 2-4 Continued

NAME OF SYSTEM	ANNUAL OPERATING BUDGET	ANNUAL RIDERSHIP	ANNUAL VEHICLE MILES	COST PER TRIP	COST PER MILE	TRIPS PER MILE
Gadabout Transportation Services, Inc	160000	30000	110000	\$5.33	\$1.45	0.27
Pee Dee Regional Transportation Authority (PDRTA)	2098434	430224	2058509	\$4.88	\$1.02	0.21
Southeast Tennessee Human Resource Agency (Rural Transportation Authority)	747597	50000	800000	\$14.95	\$0.93	0.06
Capital Area Rural Transportation System (CARTS)	1888364	286951	1213944	\$6.58	\$1.56	0.24
Texoma Area Paratransit System, Inc. (TAPS)	741287	116777	486227	\$6.35	\$1.52	0.24
JAUNT, Inc.	774987	147542	687568	\$5.25	\$1.13	0.21
Potomac Valley Transit Authority	421176	76000	384000	\$5.54	\$1.10	0.20
*** Total ***	21345804	5837282	17967973	\$3.66	\$1.19	0.33

whether the trip originates inside or outside the City limits). In Isabella County the systemwide cost per trip is \$4.33 and Rural Connection commission revenue per trip of \$1.13 plus \$1.00 per trip in local fares.

Current Trends of the Program

As more systems joined the Rural Connection Program since its beginning in the Fall of 1987, ridership steadily rose until April of 1989. The highest figures reported were for the month of March 1989. After this point ridership fell off somewhat until August of 1989, when it rose again, and then declined somewhat from September 1989 to November 1989. The ridership trends are graphically displayed in Figure 2-1.

The probable cause for the ridership increase that peaked in March 1989 is the "Many Happy Returns" fare promotion that Greyhound offered during the first three months of the year. This promotion offered a roundtrip ticket for the price of a one-way ticket. The other ridership peak, August 1989 is not quite as obvious to explain. One possible explanation is the return of college students to their campuses after Summer break.

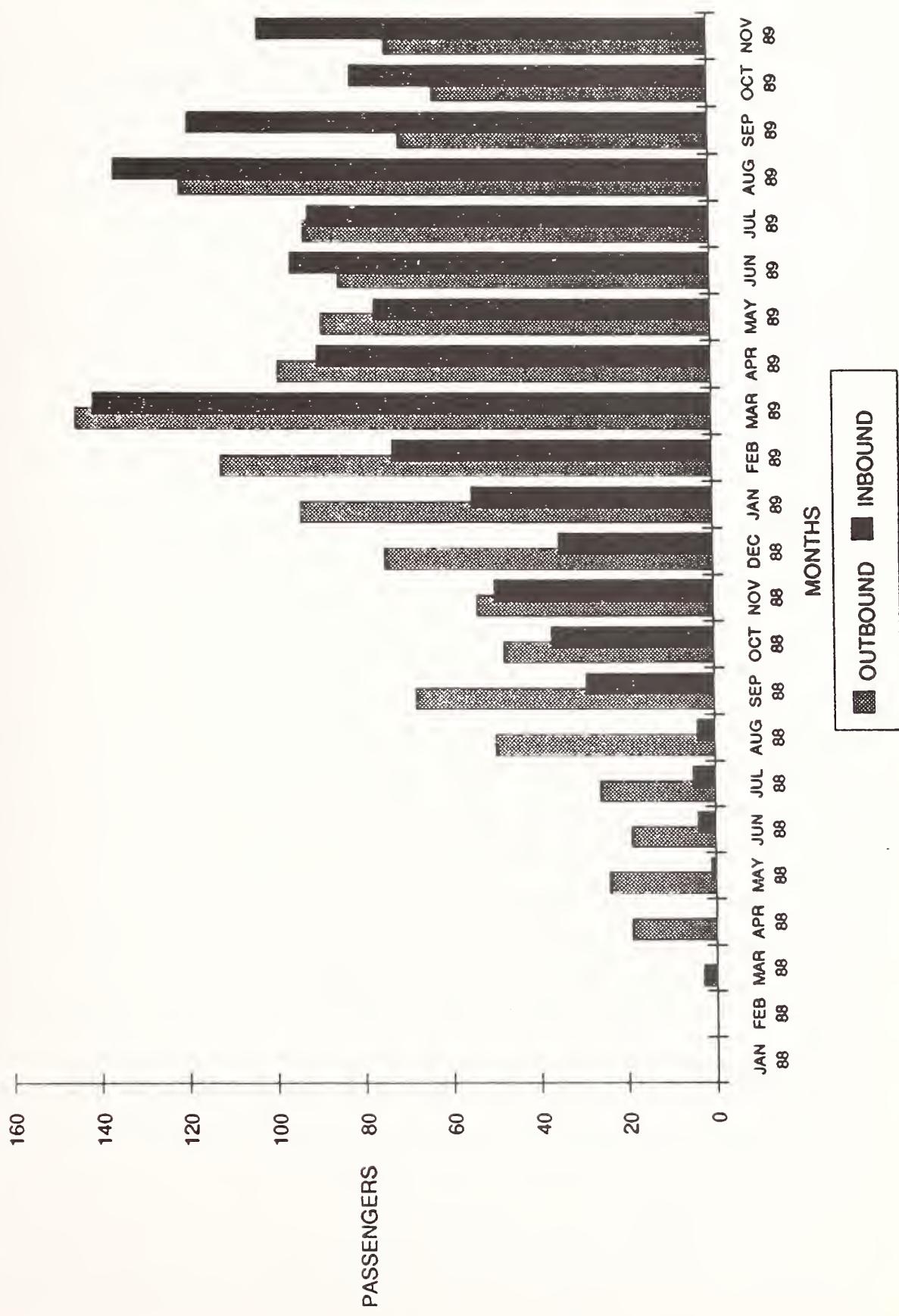
IDENTIFICATION OF PARTICIPANT GOALS

Greyhound Lines

Initially Greyhound Lines' interest in the rural feeder idea resulted from the coincidence of two events. One was the purchase of the bus line by Fred Currey and a group of private investors, which provided a new management outlook. Also, during the course of the purchase, the new owners learned from terminal interviews that many Greyhound passengers had origins or destinations in rural areas. At about the same time, CTAA representatives contacted Fred Currey with an idea for cooperation on rural services between their rural provider membership and the intercity bus operator. CTAA representatives met with Greyhound management to develop plans for a meeting of rural operators and company officials during which the concept would be presented and developed.

That meeting was held in Washington in August, 1987. Many different ideas were presented and discussed, including the various options for linking rural operators to intercity carriers: connecting services, as commission agencies, as off-line commission agencies, as lessees of vehicles, as participants in pooled insurance schemes, etc. Ultimately, the basic plan developed around the development of a service connection, with the rural connectors treated as interline partners, submitting a coupon to Greyhound to obtain a portion of the ticket revenue.

Figure 2-1: RURAL CONNECTION PROGRAM RIDERSHIP TRENDS



Development of this concept should be seen in the context of a number of company programs to reduce costs and improve services. A new emphasis on intermodal development took place at the same time, as the firm sought to move its stations and terminals into public facilities shared with other carriers (including transit systems and Amtrak). Contract service operation for urban and regional transit operations also was a major corporate thrust at the time, and franchising of Greyhound service to other intercity firms was also attempted.

The stated goals of the carrier with regard to the Rural Connection program have been to increase ridership on the Greyhound's own system of intercity routes. No quantitative estimate of potential, desired, or probable ridership was developed at the outset to assess the program -- rather some informal ridership projections were made as it got underway. These were not publicly available, and were not used as specific program goals. The company's primary goal was to determine a means to return to rural areas at a low cost. The only public quantifiable program goals involved the number of participating rural systems.

An analogy used by company spokespersons in support of both the Rural Connection Program and intermodalism was that of the telephone: if there were only two telephones in the world there would be little usage, but as more and more people have one the demand increases dramatically. The idea was that as more and more places were connected to the intercity bus network, ridership on the trunk system would increase. Particularly in rural areas and small towns, addition of just a few riders per month can represent large percentage increases. Also, profitability of a route can change dramatically with slight changes in load factors. The need to keep as many places as possible on the national bus network was a major factor in the company's decision to purchase Trailways Lines, rather than risk a cessation of service to many of the points served only by that firm.

Though never a stated goal, the positive public relations benefits of the Rural Connector Program became more apparent as time progressed. Certainly the addition of potential service to many rural points under this program provided a dramatic contrast with the high-profile abandonment of many rural services by Greyhound following deregulation in 1983-4. Virtually the only increase in the number of rural points served by the intercity bus network has come as a result of the Rural Connection Program. Although the Rural Connection concept began prior to the purchase of Trailways Lines, Inc., that event increased the public attention on the program, as Greyhound declared a moratorium on rural service discontinuances for a year. (Trailways had been in the process of abandoning all services in a number of states in the midwest) and Greyhound could point to this program as an attempt to avoid future service losses.

Overall, Greyhound's goal for the Rural Connection was an increase in ridership, and therefore revenue, from carrying additional passengers who otherwise would not have taken an intercity bus trip because they were unable to reach the nearest agency or terminal.

CTAA

Initially Rural America's involvement came about in response to Fred Currey's statements regarding a moratorium on rural service abandonments. The original concept as presented to UMTA, was for a co-op providing legal advice, financing, etc. for its rural operator members using financing from the National Co-op Bank. That idea was dropped, and discussions with Greyhound led to a shift to a program involving the rural operators in connecting service. The idea of the Rural Connector was viewed as an opportunity to offer rural operators a chance to do something entrepreneurial, working with the private sector. Greyhound had the program lead at that point, having met with operators in Tennessee to schedule celebratory inaugurations for service initiation under the program. The early ideas for the program included plans for joint advertising, local publicity, ticket and package express commissions, vehicle leases, and possibly even provision of liability insurance through Greyhound. All of these were seen to offer benefits for participating rural operators and by extension, the members of CTAA. For that reason, Rural America/CTAA was interested in jointly sponsoring the meeting held in Washington in August, 1987, and in the UMTA demonstration grant.

UMTA

UMTA's involvement in the rural connection demonstration began when Greyhound Lines approached the UMTA Administrator concerning the possibility of obtaining some funding through the private sector initiatives program. Positive response from UMTA followed, and Greyhound developed the program, working with Rural America (now CTAA). UMTA's view was that the project was "seed money" for a program that the intercity bus industry was developing, and that the initiative was in the hands of the industry rather than UMTA. In that sense, it appears that UMTA did not have any goals for the Rural Connection Program that were developed independently of Greyhound or Rural America.

According to the UMTA project manager, the program began in February of 1988, although it took several months for activities to take place. Going into the project, it appears that UMTA did not have any specific goals for the program, rather letting Greyhound and CTAA set their own goals. Similarly, UMTA did not have a set timetable for the effort, limiting it to two years, or three, or even more. This suggests that additional UMTA funding may be available to continue the demonstration project.

At this point, however, UMTA may review applications for extension in terms of some possible evaluation criteria suggested by the UMTA project manager. These include:

- the extent to which it may get rural operators to think like entrepreneurs,
- evidence of a true connection between Greyhound and rural operators,
- the role of the program in assisting Greyhound to grow, and
- the degree to which it creates state involvement, for example in funding.

The last point is significant because of the apparent link between state funding in Michigan, and the success of the rural connectors in that state. UMTA's understanding is that Michigan and Texas, which may also be funding connection activities by rural operators, are both affected by having intercity services that are scheduled at times that rural operators are unlikely to be able to provide service, and therefore have the need to fund additional operating hours. UMTA believes that ten of the 76 projects are doing relatively well, showing ridership increases. This suggests (to UMTA) that the project should focus on the ten successes and their characteristics.

Rural transportation issues may receive a higher priority in the new administration, as Congressional interest seems to be increasing. If Greyhound wants to capitalize on this interest and extend the project, it will have to produce and describe the tangible results of the funds expended to date, in order to justify further funding, according to UMTA.

Rural Operators

As part of the survey of participating rural operators, a question was asked to determine the goals for the Rural Connection Program. This question was an open-ended one, with no sample responses listed, and four lines provided for their answer. The question is number 17 on page 6 of the survey (a copy is included as Appendix A) in the section covering the Rural Connection Program.

From the returned surveys, five major goal areas emerged. They are:

- To serve the community as a link to the intercity carriers, maximizing the mobility of rural residents and providing a much needed service,
- Generate ridership for the system,
- Generate revenue for the system,
- To expand existing services, and
- To build prestige as a transportation provider by being associated with Greyhound.

The goal most often mentioned in relation to the Rural Connection Program is service to the community. Thirteen of the 35 responses received have mentioned service to the community as one of their system's goals in participating in the Rural Connection Program. The general goal of community service included more specific responses such as, "to assist residents with their travel needs outside the service area," "to maximize the mobility opportunities of county residents," and "to provide transportation linkage in small rural communities."

Generating ridership is the second most often listed goal, with five of the 35 responding systems including it. Although popular as a part of a set of goals, no system listed increasing ridership as its only goal.

Four systems listed increased revenue as a goal of their involvement in the Rural Connection Program. As with generating ridership, no system listed increased revenue as its only goal in relation to the Rural Connection Program.

Building prestige as a public transportation provider was listed by four systems. Three of the four systems specifically mentioned the association with Greyhound as being a boost for their images.

The last common goal was to expand service. These expansions include such things as beginning package express, setting up new feeder services, and working toward shared terminals. Five of the 35 responding systems did not list any system goals in participating in the Rural Connection Program.

In examining the goals listed by the 35 agencies, it is apparent that the prevailing attitude among the respondents is a commitment to community service. The systems seem to view the program primarily as a service to the community, while listing other goals such as increased revenue, increased ridership, expansion, and added prestige secondarily. Because no respondents listed either increased ridership or increased revenue as a primary goal, it is evident that such benefits are not motivating forces in becoming participants in the Rural Connection Program. There may be some significance to the thought that the 35 respondents are more committed to improving community service by the very fact they have turned in the survey and are helping the program, whereas the 40 who have not responded may not view the program with the same spirit of community service. Each operator's goals for the program are listed in Table 2-5.

Michigan Department of Transportation

In addition to the direct participants in the Rural Connector Demonstration Project, the State of Michigan also funded a demonstration project to support the development of rural connectors in that state. The Bureau of Urban and Public Transportation (UPTRAN) in the state's Department of Transportation includes an Intercity Division, which has long been in the forefront of state efforts to develop both

Table 2-5: RURAL CONNECTION PROGRAM: AGENCY GOALS

NAME OF AGENCY	CITY	STATE	STATE GOALS
Coordinated Accessible Rural Transit System (CARTS)	Birmingham	AL	To provide demand response service to any and all Greyhound or Trailways terminals in Jefferson Co., Alabama.
H.E.L.P., Inc.	Carrollton	AL	
West Alabama Health Service	Eutaw	AL	Our goal is to serve as a link between the rural passenger and Greyhound, and to become known by all Greyhound passengers.
Region Six Planning Commission	Marshalltown	IA	Market service, generate ridership
East Central Iowa Transit	Cedar Rapids	IA	Unsure at this time
Homecare Services, Inc.	Adel	IA	To serve a special client need and to generate additional revenues.
Warren County Community Action Agency (CAA)	Indianola	IA	To provide this service to our riders.
Rides Transportation Project	Rosiclare	IL	Although we do not expect the Rural Connection Program to be a money maker, we feel it is a vital service to small towns who lost intercity bus service 40 years ago.
Transportation for Rural Areas of Madison County (TRAM)	Anderson	IN	Provide transportation for rural residents to interstate bus terminal in Anderson.
Blue Grass Community Action Agency (BUS)	Frankfort	KY	We will serve on an as needed basis. We anticipate increased ridership as our main Greyhound route has been discontinued. (KY 127 Corridor)
Community Action Transportation System (C.A.T.S.)	Lexington	KY	
Fulton County Transit Authority	Fulton	KY	Would like regular feeder program set up with Greyhound to Kentucky Lake area, area colleges: Murray State, Murray, U.T.M., Martin Branch of U.T., Tn.
Green River Intra-County Transit System (G.R.I.T.S.)	Owensboro	KY	
Bay Area Transportation Authority	Traverse City	MI	Increase mobility opportunities for our community; supplement our revenues.
City of Jackson Transportation Authority	Jackson	MI	Maximize the mobility opportunities of the residents of Jackson County. As an agency, provide a total transportation system.
Isabella County Transportation Mt. Pleasant Commission	Mt. Pleasant	MI	Boost ridership, market bus image.
Muskegon Area Transit System (MATS)	North Muskegon	MI	None
Twin Cities Area Transportation Authority	Benton Harbor	MI	To help those in the rural area have transportation to local terminal to travel.

Table 2-5 Continued

NAME OF AGENCY	CITY	STATE	GOALS
Southeast Missouri Transportation Service, Inc.	Fredericktown	MO	Assist residents with their travel needs outside the service area.
York County Transportation- Handibus/Busy Wheels	York	NE	Be a part of the network, possibly collect a few dollars.
Blue Rivers Area Agency on Aging	Beatrice	NE	Provide transportation linkage in small rural communities
Eastern Nebraska Office on Aging	Omaha	NE	
Saline County Area Transit	Western	NE	To serve our passengers as best we can to connect our clients to farther points with Greyhound.
Saunders County Handi Van	Wahoo	NE	To provide a service when needed.
Hall County Handibus	Grand Island	NE	To enable the elderly and handicapped of any age, who have no other means of transportation, to reach the local Greyhound Terminal and travel outside of Hall county in Nebraska
SENLOW Transportation System	Kearney	NE	
DART Transportation	Deming	NM	To serve public and maximize revenue.
Chautauqua Area Rural Transit (CARTS)	Falconer	NY	To improve coordinated transportation within Chautauqua County.
Clinton Area Rural Transit (CART)	Plattsburgh	NY	Provide frequent, reliable, convenient transportation to and from the Greyhound Terminal to develop a network of regular riders.
Gadabout Transportation Services, Inc	Ithaca	NY	
Pee Dee Regional Transportation Authority (PDRTA)	Florence	SC	Provide increased mobility for rural citizen, increase agency revenues.
Southeast Tennessee Human Resource Agency (Rural Transportation Authority)	Dunlap	TN	To transport more people and to get into package express.
Capital Area Rural Transportation System (CARTS)	Austin	TX	Increase ridership; cooperate with intercity carriers; build image as public transit operator; make available additional service for passengers.
Texoma Area Paratransit System, Inc. (TAPS)	Denison	TX	Working toward shared terminal for Sherman/Denison and to become a commissioned agent. Consider package express in future.
JAUNT, Inc.	Charlottesville	VA	Improve mobility for folks in our area without spending a fortune.
Potomac Valley Transit Authority	Petersburg	WV	Gain prestige for PVTA by association with Greyhound, while increasing revenue and passenger counts.

intercity bus and rail programs. Current programs in support of regular route intercity bus service include lease of state-owned buses to carriers for operation of regular route service, operating assistance for rural and small city routes, capital and some operating costs for intermodal terminals (including intercity bus, local transit, and Amtrak wherever possible), and marketing programs. At the same time, Michigan has extensive local public transportation available in rural counties, affording the possibility to connect with intercity bus lines. In 1987, the state performed an evaluation of the intercity bus program, and one of the recommendations was to include funding for demonstration projects, with the initial efforts to focus on the Rural Connector Program as a means of linking rural areas that did not have intercity service with the remaining network. The reason for establishing the program was "... to provide citizens in small urban and rural communities greater access to intercity bus transportation and thereby reduce potential isolation for such people." The state felt that rural operators would also gain from the positive association with the intercity carriers serving the state, Greyhound and Indian Trails, and from additional ridership and revenue. Local goals varied, and are treated under the section about rural operators. The Michigan program used UMTA and state money to provide participating systems with funds for marketing, funds for additional service hours to allow evening and weekend connecting service, and some technical assistance in setting up the program. Michigan did not have any defined quantitative goals for ridership or revenues from the program at the outset, but is examining the relationship of costs and incremental ridership as part of the demonstration evaluation.

DESCRIPTION OF THE PROGRAM

The first step in becoming a Rural Connection Program participant is learning of the program. Marketing the program to potential operators is the responsibility of both Greyhound Lines, Inc. and the CTAA. The lead organization in marketing the program to the rural operators has been the CTAA. They provide information about the program to a large network of rural operators through regional meetings, state meetings, and through their publication, The Community Transportation Reporter.

When a rural operator hears of the program and thinks that they could be a potential connector, the next step is for them to contact either Greyhound or CTAA. The rural operator and the Greyhound Rural Connection Program manager will discuss the possibilities that exist for connecting intercity bus service and local public transit in the particular community. The various levels of involvement that could occur for the rural transit system would be decided at this time.

These levels of involvement for the rural system relate to the roles they would play as connectors. For example, they could be feeder systems for the intercity terminals; they could provide package express;

they could be ticket agents; or they could share a terminal, with either Greyhound or the rural system being the owner or lease holder of the facility.

The next step is for Greyhound to send out a detailed information packet to the rural operator. This packet includes all of the materials necessary to sign up for the program. The rural operator and the intercity carrier then enter into an operating agreement together to provide connecting service to the rural community. They may also enter into agreements concerning the sharing of terminals at this time.

Once an operator has signed on to become part of the program Greyhound and/or CTAA staff provide on-site training to new feeder systems, including introductions to the Greyhound sales manager and local agent. The operator will receive a coupon book, a coupon manifest, a program manual, and a marketing manual. The program manual provides detailed instructions on completing the necessary paperwork involved with the program as well as a zone map and table and important Greyhound telephone numbers. The marketing manual provides sample marketing materials and tips on carrying out a marketing campaign. The operator will also receive a marketing manual from CTAA which provides additional marketing materials and ideas as well as a newsletter devoted entirely to the Rural Connection Program and published by CTAA.

At this time the operator begins serving the terminal, or formalizes their existing service to the terminal. Greyhound lists the rural operator's schedule in Russell's Guide at this time. Ideally the operator and Greyhound should hold some sort of kickoff event to publicize the availability of the connection to the community. The operator should also begin including the Rural Connection Program in their system-wide marketing efforts. Figure 2-2 provides a graphic summary of the program participants and their marketing responsibilities.

In order for the rural operator to get reimbursed by Greyhound for the passengers carried to the terminal he/she must make sure that the appropriate administrative steps are taken. The first step is to make sure that the coupons are properly filled out. These coupons are two part forms which are filled out when the passenger rides to the Greyhound terminal. The information on the coupon includes: the Federal identification number of the operator, the date, the name of the passenger, the transfer point, the destination, the miles to be travelled on Greyhound, the zone, and the zone amount. Instructions for completing the coupons are included with the program manual. One copy of this coupon is kept by the rural operator, and one is given to the passenger to be turned in to the Greyhound ticket agent.

The rural operator then takes the completed coupons and enters them into a coupon manifest. The completed manifests and coupons are sent to the Greyhound Interline Department in Des Moines, Iowa, each month. Greyhound matches up the coupons received by their ticket agents with those sent in by the rural operators. Greyhound will only pay for those rides for which there are matched coupon pairs. They then will send the appropriate payment to the rural operator for all of the matched coupon sets received.

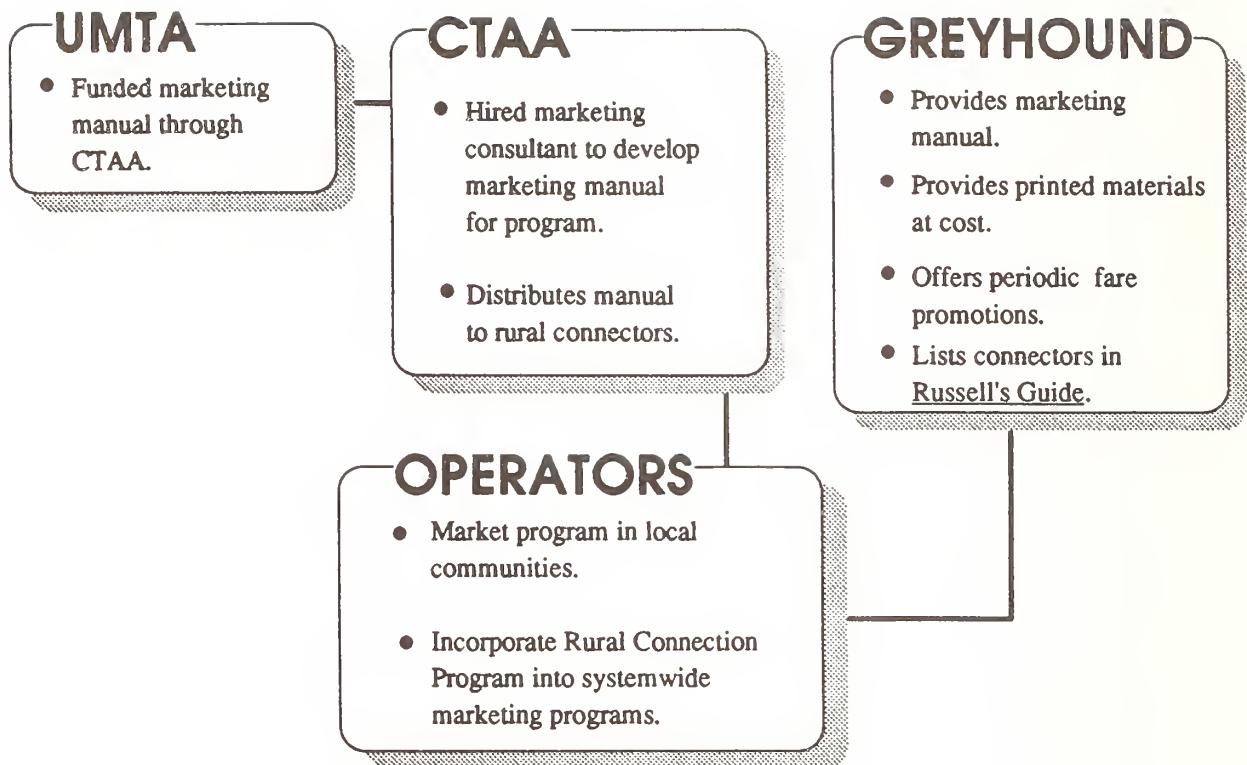


Figure 2-2: SUMMARY OF MARKETING RESPONSIBILITIES

The payments range from \$.50-\$6.00 per ride depending on the distances travelled on Greyhound by the connecting passengers. There is no payment or paperwork to be done for passengers picked up at the Greyhound terminal by the rural connectors, but Greyhound does waive the commission normally required from other carriers and the operator does collect the usual fare.

For a passenger to use the rural connector they must first contact either the rural operator or Russell's Guide to determine if they are going to be travelling during operating hours for the connector. They then must reserve a ride on the connector, letting the connector know which inbound schedule they will be arriving on. Most, but not all, of the connectors serve the Greyhound terminals on an advance reservation system.

The passenger will provide either the connector dispatcher or driver with the information needed for the coupon. He/she will bring a copy of the coupon to the Greyhound ticket agent. If the passenger needs a connector ride on the destination end of the trip he/she will need to consult Russell's Guide and arrange for the trip. The passenger will pay a fare for any trips made on the connecting transit systems.

Figure 2-3 graphically displays how the program works and how the different participants are related. The activity flow of the program is shown in Figure 2-4.

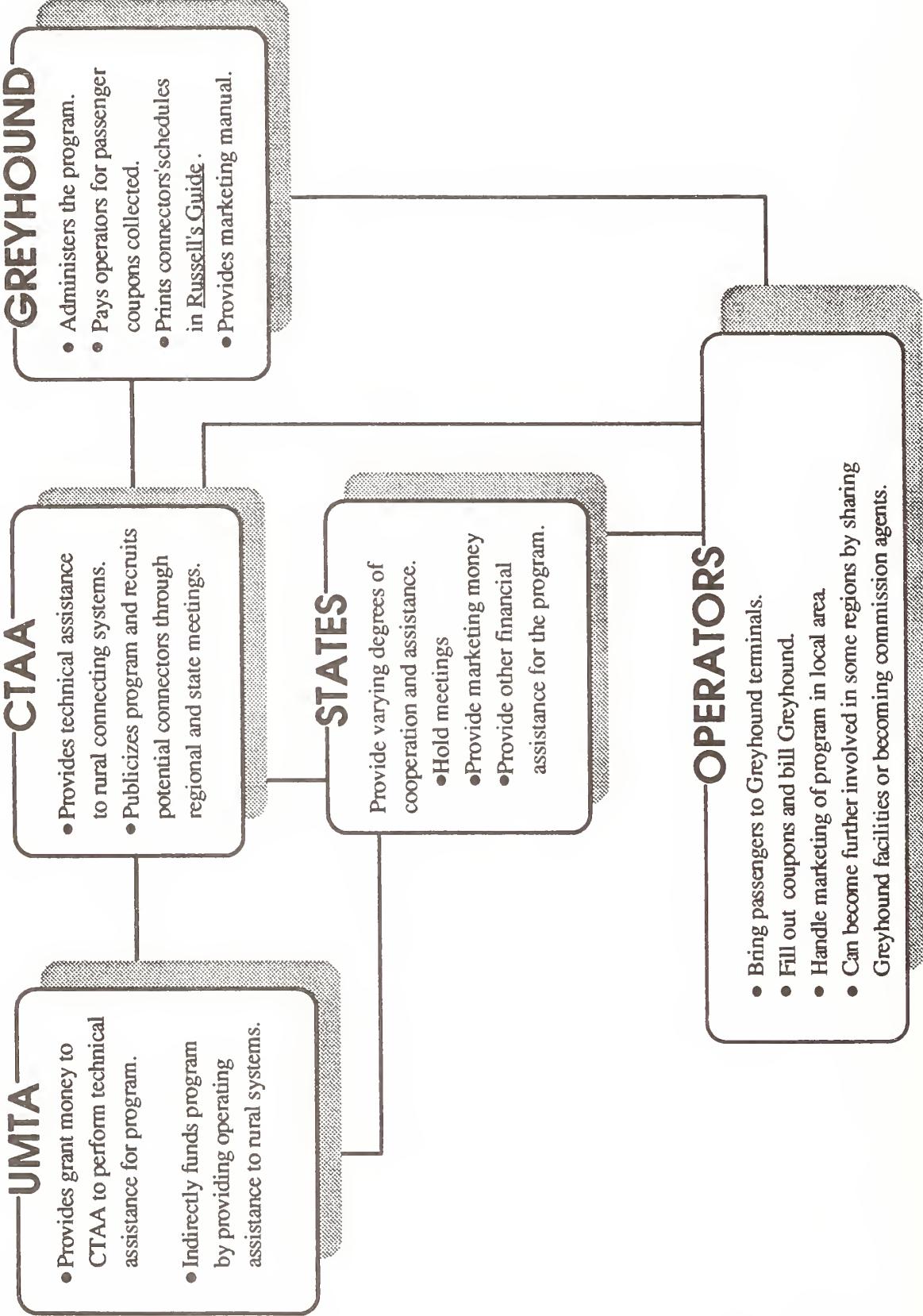


Figure 2-3: DESCRIPTION OF OVERALL PROGRAM

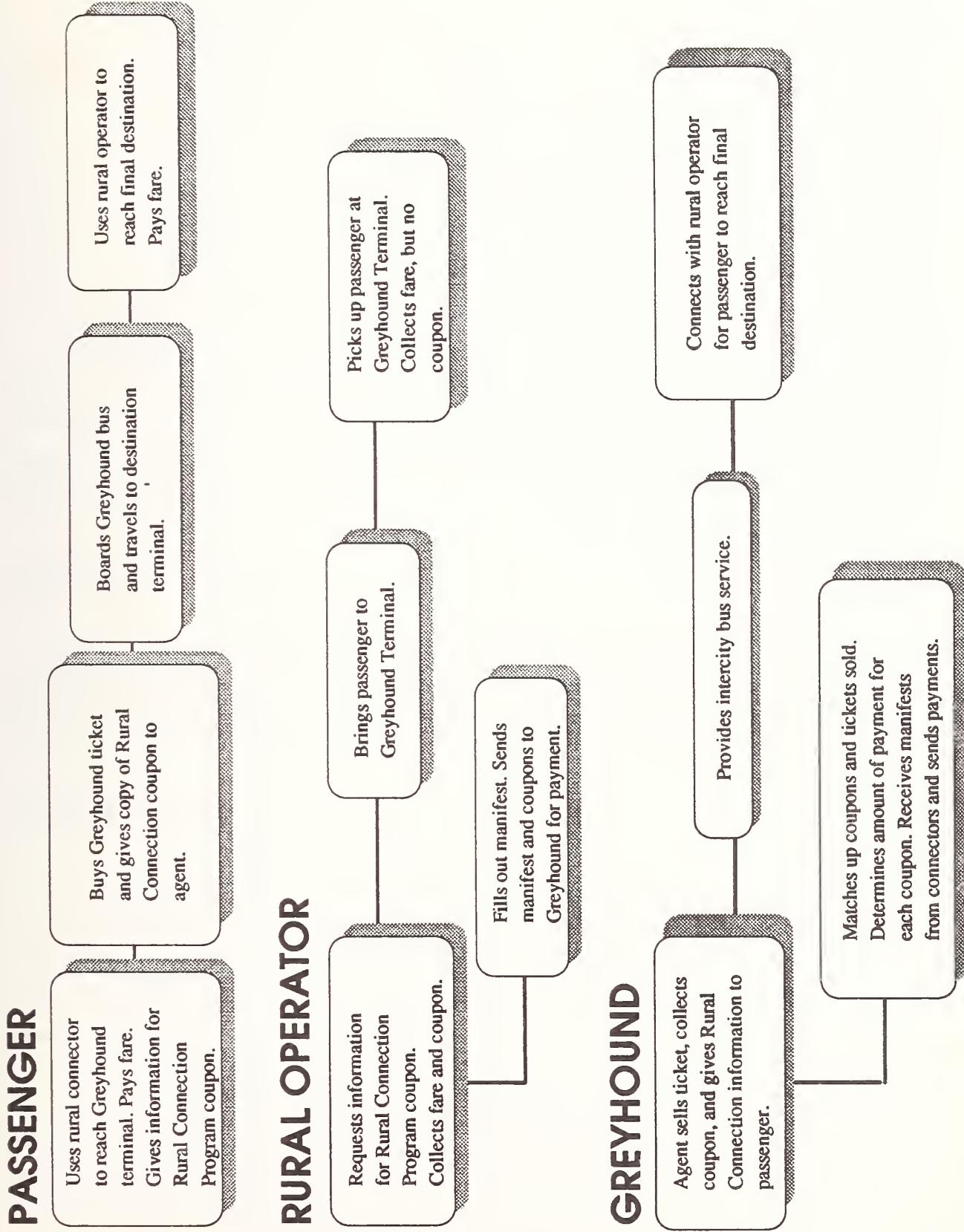


Figure 2-4: ACTIVITY FLOW: RURAL CONNECTION PROGRAM

3

ANALYSIS OF PARTICIPANTS

This chapter examines the participating rural operators in more detail, using information from the survey of rural operators, and using case studies from the on-site interviews. The first section is primarily descriptive of the operators who responded to the survey; the second includes the case studies; the third discusses the attributes leading to program success; and the fourth identifies barriers to implementation, unresolved issues, and program benefits.

SURVEY OF PARTICIPANTS

In order to collect information about the transit systems involved in the Rural Connection Program (RCP), we mailed each system an eight page survey which asked 24 questions pertaining to three major areas: service characteristics, administrative characteristics, and Rural Connection Program characteristics.

Service Characteristics

Of the survey respondents, 34 of the 36 serve both the general public and social service agencies. Two of the respondents serve only the general public. For the respondents as a group, 54 percent of the total trips are made for the general public, and 46 percent of the trips are made for social service agency clients. The breakdown between general public trips and social service agency trips for each system is listed in Table 3-1.

The types of services provided by each agency include demand-responsive, fixed route, subscription, and other. The breakdown of service types for the group as a whole is as follows: demand-responsive (54%); fixed route (25.4%); subscription (14.6%); and other (6%). Table 3-1 shows the types of services provided by each system.

**Table 3-1: RURAL CONNECTION PARTICIPANTS:
SERVICE CHARACTERISTICS**

NAME OF SYSTEM	STATE	# ANNUAL TRIPS	% TRIPS DEMAND RESPONSE	% TRIPS FIXED ROUTE	% TRIPS SUBSCRIPTION	% OTHER TRIPS	% SOCIAL SERVICE AGENCY TRIPS	% GENERAL HOURS AND DAYS PUBLIC OF SERVICE AGENCY TRIPS
Coordinated Accessible Rural Transit System (CARTS) H.E.L.P., Inc.	AL	62932	50.0	50.0	0.0	0.0	38.0	62.0 Monday-Friday 0800-1700 MWF, 0500-1700, TuTh, 0600-1600
West Alabama Health Service	AL	68845	25.0	75.0	0.0	0.0	25.0	75.0 Monday-Friday, 0700-1700 Saturday & Sunday, on-call
Region Six Planning Commission IA	AL	796040	40.0	40.0	10.0	10.0	60.0	40.0 Monday-Friday, 0630-1630
East Central Iowa Transit	IA	97091	14.0	64.0	22.0	0.0	56.0	44.0 Monday-Friday, 0800-1400, M-F, 0600-1730, Sat., 0600-1900
Homedcare Services, Inc.	IA	331209	30.0	70.0	0.0	0.0	84.0	16.0 Sun., 0600-1730, Sat., 0600-1900
	IA	34147	100.0	0.0	0.0	0.0	67.0	33.0 Monday-Friday, 0615-1830 Sat.-Sun, Special assignment only
Warren County Community Action Agency (CAA)	IA	15000	0.0	0.0	100.0	0.0	4.0	96.0 Monday-Friday 0830-1630
Rides Transportation Project	IL	125077	53.0	0.0	47.0	0.0	66.0	34.0 Monday-Friday, 0600-1800 Some evening and weekend service upon request.
Transportation for Rural Areas IN of Madison County (TRAM)	IN	11004	100.0	0.0	0.0	0.0	5.0	95.0 Monday-Friday, 0600-1700
Blue Grass Community Action Agency (BUS)	KY	176388	6.0	0.0	94.0	0.0	94.0	6.0 Monday-Friday, 0700-1700
Community Action Transportation System (C.A.T.S.)	KY	53000	15.0	0.0	0.0	85.0	85.0	15.0 M., F. 0600-2000 Tu. 0600-1800 W. 0530-2000 Th. 0630-1800
Fulton County Transit Authority	KY	50000	35.0	40.0	10.0	15.0	25.0	75.0 Monday-Friday, 0645-1700 Saturday 0800-1300
Green River Intra-County Transit System (G.R.I.T.S.)	KY	140743	60.0	40.0	0.0	0.0	87.0	13.0 Monday-Friday, 0800-1630
Bay Area Transportation Authority	MI	333000	35.0	0.5	64.5	0.0	30.0	70.0 Monday-Friday, 0600-1800 Saturday, 0900-1800

Table 3-1 Continued

NAME OF SYSTEM	STATE	# ANNUAL TRIPS	% DEMAND RESPONSE	% TRIPS ROUTE	% FIXED ROUTE	% SUBSCRIPTION	% TRIPS AGENCY	% OTHER TRIPS	% SOCIAL SERVICE	% PUBLIC AGENCY	% GENERAL HOURS AND DAYS
City of Jackson Transportation Authority	MI	772983	26.0	43.0	27.0	4.0	15.0	85.0	Mon-Thur, Sun, 0600-1815 Sat 10-10 0600-2200,		
Isabella County Transportation Commission	MI	3000000	25.0	0.0	75.0	0.0	50.0	50.0	M-F 600-1900, Su 8-5, Sa 630-7. Contract for aft. hrs serv.-until 10pm-2am		
Muskegon Area Transit System (MATS)	MI	554010	5.0	95.0	0.0	0.0	0.0	0.0	0.0 Monday-Friday, 0700-1800 Saturday, 1000-1800		
Twin Cities Area Transportation Authority	MI	145835	100.0	0.0	0.0	0.0	0.0	0.0	0.0 Monday-Friday 0600-1900 Saturday 0800-1630		
Southeast Missouri Transportation Service, Inc.	MO	300000	0.0	0.0	0.0	100.0	95.0	5.0	as needed		
York County Transportation- Handibus/Busy Wheels	NE	15600	100.0	0.0	0.0	0.0	0.0	0.0	0.0 Monday-Friday, 0800-1700		
Blue Rivers Area Agency on Aging	NE	77500	100.0	0.0	0.0	0.0	90.0	10.0	10.0 Monday-Friday, 0815-1615		
Eastern Nebraska Office on Aging	NE	n/a	100.0	0.0	0.0	0.0	0.0	n/a	n/a Monday-Friday, 0645-1600		
Saline County Area Transit	NE	6200	0.0	100.0	0.0	0.0	0.0	5.0	95.0 Monday-Friday 0800-1800		
Saunders County Handi Van	NE	2675	100.0	0.0	0.0	0.0	0.0	0.0	0.0 Monday-Friday, 0800-1700		
Hall County Handibus	NE	28000	100.0	0.0	0.0	0.0	0.0	40.0	60.0 Monday-Friday, 0800-1700		
SENLOW Transportation System	NE	37349	100.0	0.0	0.0	0.0	0.0	0.3	99.7 Monday-Friday, 0800-1700		
DART Transportation	NM	6620	100.0	0.0	0.0	0.0	0.0	0.0	100.0 24 hours per day, 7 days per week		
Chautauqua Area Rural Transit (CARTS)	NY	82600	50.0	50.0	0.0	0.0	0.0	25.0	65.0 Monday-Friday, 0800-1800		
Clinton Area Rural Transit (CART)	NY	75940	0.0	100.0	0.0	0.0	0.0	0.0	100.0 Monday-Friday, 0700-1900		
Gadabout Transportation Services, Inc	NY	30000	100.0	0.0	0.0	0.0	0.0	25.0	75.0 Monday-Friday, 0730-1800		
Pee Dee Regional Transportation Authority	SC	430224	7.0	20.0	73.0	0.0	72.0	28.0	Monday-Friday, 0700-1800		

Table 3-1 Continued

NAME OF SYSTEM	STATE #	ANNUAL TRIPS	% DEMAND RESPONSE	% FIXED ROUTE	% SUBSCRIPTION	% OTHER TRIPS	% SOCIAL SERVICE AGENCY TRIPS	% GENERAL HOURS AND DAYS PUBLIC OF SERVICE AGENCY TRIPS
Southeast Tennessee Human Resource Agency (Rural Transportation Authority)	TN	50000	100.0	0.0	0.0	0.0	0.0	20.0 Monday-Friday, 0800-1630
Capital Area Rural Transportation System (CARTS)	TX	286951	85.0	10.0	5.0	0.0	66.0	34.0 M-F, 0800-1700. Suburban, MTA Contract Serv., M-F, 0600-2130
Texoma Area Paratransit System, Inc. (TAPS)	TX	116777	100.0	0.0	0.0	0.0	82.0	18.0 Monday-Friday, 0800-1700
JAUNT, Inc.	VA	147542	84.0	16.0	0.0	0.0	54.0	46.0 Monday-Friday, 0630-1830
Potomac Valley Transit Authority	WV	76000	0.0	100.0	0.0	0.0	3.0	97.0 Monday-Friday, 0445-1740
*** Total ***		5837282						

Annual systemwide ridership for the respondents varies from a low of 2,675 passengers per year to a high of 796,040 passengers per year. In general, the systems with low ridership levels also have low Rural Connection Program ridership. Annual ridership for each system is also shown in Table 3-1.

The Rural Connection Program survey respondents represent a variety of fleet sizes, populations served, and service area sizes. The smallest fleet is made up of one van, while the largest fleet operates 128 vehicles. The average fleet size for the group is 26 vehicles. No strong relationship was found between fleet size and Rural Connection Program ridership. Table 3-2 shows the service area sizes, both population and square miles, and the fleet sizes for each respondent.

Most of the responding systems operate only during regular business hours, although some do have extended hours. The hours of service for each agency is shown in Table 3-1. Extended service hours were found to be related to increased ridership for the Rural Connection Program participants and this relationship is further discussed in Subtask 2.1.

As shown in Table 3-3 most of the responding systems do not hold regulatory permits for either passengers or packages from either the Interstate Commerce Commission (ICC) or from their state Public Utility Commission (PUC). The services provided by these systems generally do not require such permits. The lack of regulatory authority held by the survey respondents is probably the reason why so few are involved in package express.

Only two of the responding systems handle package express and neither of these systems handles packages in conjunction with Greyhound. Rides Transportation Project in Rosiclare, Illinois, delivers packages for the elderly, and Pee Dee Regional Transportation Authority in Florence, South Carolina, delivers luggage for airlines. Neither of these systems has been required to hold any regulatory permits for these activities. Of the remaining 34 respondents, 15 indicated an interest in package delivery, 17 indicated no interest in package delivery, and two did not answer the question.

Administrative Characteristics

Operating funds for the participating agencies come from a myriad of sources including UMTA Sections 18, 9, and 16(b)(2); Title III Aging; Section XIX Medicaid, state grants; fares, local millages, local governments; contracts; and in-kind. The annual operating budgets range from a low of \$28,989 to a high of \$2,215,000.

The system with the highest annual operating budget is also the system with the highest RCP ridership; however, other high budget systems do not also have high RCP ridership. Although a direct connection between amount of funds available and RCP ridership cannot be made for the program, there does seem to be a relationship between the amount of state financial assistance received for the RCP and

Table 3-2

RURAL CONNECTION PARTICIPANT DATA SERVICE AND FLEET SIZE

NAME OF SYSTEM	STATE	SERVICE AREA SIZE SQ MILES	SERVICE AREA SIZE	# OF VEHICLES
				POPULATION
Coordinated Accessible Rural Transit System (CARTS)	AL	1115.0	671324	12
H.E.L.P., Inc.	AL	887.0	22400	11
West Alabama Health Service	AL	5210.0	91650	75
Region Six Planning Commission	IA	2457.0	102267	24
East Central Iowa Transit	IA	3787.0	333000	84
Homecare Services, Inc.	IA	0.0	30000	6
Warren County Community Action Agency (CAA)	IA	570.0	34000	4
Rides Transportation Project	IL	1777.0	63378	17
Transportation for Rural Areas of Madison County (TRAM)	IN	415.7	72426	5
Blue Grass Community Action Agency (BUS)	KY	2816.0	219689	27
Community Action Transportation System (C.A.T.S.)	KY	1047.0	42371	8
Fulton County Transit Authority	KY	946.0	25000	7
Green River Intra-County Transit System (G.R.I.T.S.)	KY	2628.0	179613	23
Bay Area Transportation Authority	MI	600.0	54000	30
City of Jackson Transportation Authority	MI	704.7	149500	50
Isabella County Transportation Commission	MI	515.0	56050	28
Muskegon Area Transit System (MATS)	MI	520.0	0	22
Twin Cities Area Transportation Authority	MI	10.0	25000	17
Southeast Missouri Transportation Service, Inc.	MO	32000.0	550000	65

Table 3-2 Continued

NAME OF SYSTEM	STATE	SERVICE AREA SIZE	SERVICE AREA SIZE	# OF VEHICLES
		SQ MILES	POPULATION	
York County Transportation-Handibus/Busy Wheels	NE	576.0	14798	3
Blue Rivers Area Agency on Aging	NE	0.0	0	17
Eastern Nebraska Office on Aging	NE	0.0	0	4
Saline County Area Transit	NE	576.0	13131	4
Saunders County Handi Van	NE	754.0	18716	1
Hall County Handibus	NE	552.0	47651	3
SENLOW Transportation System	NE	2402.0	48367	8
DART Transportation	NM	5000.0	20000	2
Chautauqua Area Rural Transit (CARTS)	NY	1069.0	145000	22
Clinton Area Rural Transit (CART)	NY	1089.0	81525	7
Gadabout Transportation Services, Inc	NY	492.0	0	11
Pee Dee Regional Transportation Authority (PDRTA)	SC	6000.0	350000	128
Southeast Tennessee Human Resource Agency (Rural Transportation Authority)	TN	400.0	173000	50
Capital Area Rural Transportation System (CARTS)	TX	7500.0	303233	76
Texoma Area Paratransit System, Inc. (TAPS)	TX	2737.0	92960	32
JAUNT, Inc.	VA	2166.4	152800	34
Potomac Valley Transit Authority	WV	2700.0	70000	18
<hr/>				
*** Total ***		92018.8	4252849	935

Table 3-3

REGULATORY PERMITS HELD

NAME OF AGENCY	STATE	ICC	ICC	PUC	PUC
		PASS	PACK	PASS	PACK
Coordinated Accessible Rural Transit System (CARTS)	AL	n	n		
H.E.L.P., Inc.	AL			y	y
West Alabama Health Service	AL	n	n	n	n
Region Six Planning Commission	IA	n	n		
East Central Iowa Transit	IA	n	n	n	n
Homecare Services, Inc.	IA	n	n	n	n
Warren County Community Action Agency (CAA)	IA	n	n	n	n
Rides Transportation Project	IL	n	n	n	n
Transportation for Rural Areas of Madison County (TRAM)	IN	n	n	y	n
Blue Grass Community Action Agency (BUS)	KY	n	n	y	n
Community Action Transportation System (C.A.T.S.)	KY			y	y
Fulton County Transit Authority	KY	y	y	n	n
Green River Intra-County Transit System (G.R.I.T.S.)	KY	n	n	y	n
Bay Area Transportation Authority	MI	n	n	n	n
City of Jackson Transportation Authority	MI	n	n	y	n
Isabella County Transportation Commission	MI	n	n	n	n
Muskegon Area Transit System (MATS)	MI				
Twin Cities Area Transportation Authority	MI	y	n	n	n

Table 3-3 Continued

NAME OF AGENCY	STATE	ICC PASS	ICC PACK	PUC PASS	PUC PACK
Southeast Missouri Transportation Service, Inc.	MO	n	n	n	n
York County Transportation-Handibus/Busy Wheels	NE	n	n	n	n
Blue Rivers Area Agency on Aging	NE	n	n	n	n
Eastern Nebraska Office on Aging	NE				
Saline County Area Transit	NE		n	n	n
Saunders County Handi Van	NE	n	n	n	n
Hall County Handibus	NE	n	n	n	n
SENLOW Transportation System	NE	n	n	n	n
DART Transportation	NM	n	n	y	y
Chautauqua Area Rural Transit (CARTS)	NY	n	n	n	n
Clinton Area Rural Transit (CART)	NY	n	n	n	n
Gadabout Transportation Services, Inc	NY	n	n	n	n
Pee Dee Regional Transportation Authority (PDRTA)	SC	n	n	n	n
Southeast Tennessee Human Resource Agency (Rural Transportation Authority)	TN	n	n	n	n
Capital Area Rural Transportation System (CARTS)	TX	n	n	y	n
Texoma Area Paratransit System, Inc. (TAPS)	TX	n	n	n	n
JAUNT, Inc.	VA	n	n	n	n
Potomac Valley Transit Authority	WV	y	n	y	n

ridership. All of the systems in Michigan reported significant ridership for the program, and they all receive financial assistance specifically for the program. Table 3-4 displays the funding sources for each of the respondents.

Rural Connection Program Characteristics

Prior to examining the results of the survey, a lack of effective marketing programs by the RCP participants was thought to have been a significant factor in the generally low ridership. Table 3-5 compares the participants' RCP marketing efforts with their RCP ridership. These responses seem to indicate that lack of marketing effort is not necessarily the key factor in determining the success of a particular program.

For the purposes of comparing marketing efforts with ridership, we divided the survey respondents into three groups: those who have carried more than 150 passengers (high ridership); those who have carried between 50-150 passengers (moderate ridership); and those who have carried less than 50 passengers (low ridership). There were five systems in the high ridership group, four systems in the moderate ridership group, and 26 systems in the low ridership group.

As shown in Table 3-5 all of the systems in the high ridership group have programs to market the RCP. Some examples of their marketing efforts include: flyers, bumper stickers, radio, TV, newspaper ads, and placemats. All of the systems in the moderate ridership group also market the program. These two findings suggest a correlation between marketing and ridership.

The relationship between marketing and ridership that exists for the high and moderate ridership groups fails to present itself for the low ridership group. Of the 26 systems reporting less than 50 riders over the course of the RCP, 17 of them marketed the program. Five of the systems have done no marketing for the program, and four systems have used only the materials provided by Greyhound.

These results seem to suggest that for a program to attract riders, it must have a marketing program; however, the existence of a marketing program does not mean that a system will have high ridership. Another related factor is the effectiveness of the marketing program. We have no way to determine if the marketing programs of the high and moderate ridership groups are superior to those of the low ridership group, or if the high and moderate ridership systems are simply located in areas where the demand for the Rural Connection Program is higher.

A specific example of this situation occurs at Pee Dee Regional Transportation Authority in Florence, South Carolina. At the start of the RCP they put forth a tremendous marketing effort. They placed ads in newspapers, made flyers, posters, and press releases. They have signs on the buses in addition to advertising on radio and via billboards. After disappointing results they have slowed their

Table 3-4: RURAL CONNECTION PARTICIPANTS: FUNDING CHARACTERISTICS

NAME OF SYSTEM	STATE	ANNUAL OPERATING BUDGET	TITLE III AGING MEDICAID	AMOUNT FROM SPC XIX SEC 16 SEC 16B2	AMOUNT FROM UMTA STATE SEC 16	AMOUNT FROM UMTA STATE SEC 16B2	AMOUNT LOCAL FUNDING FROM SOURCE 1	AMOUNT LOCAL FUNDING FROM SOURCE 1	AMOUNT 1 LOCAL FUNDING SOURCE 2	AMOUNT 2 OTHER FUNDING SOURCE 1	AMOUNT 1 OTHER FUNDING SOURCE 2	AMOUNT 2 OTHER FUNDING SOURCE 2
Coordinated Accessible Rural Transit System (CARTS)	AL	337975	27554	0	150493	0	36010	County cash	34000	County Ink.	11222	0
H.B.I.P., Inc.	AL	278681	59911	0	121500	0	0	7000	Governments	2500 Contracts	81072	0
West Alabama Health Service	AL	825000	0	450000	0	60000	85000 Social Service Agency	122769	0	Work Crews	107231	0
Region Six Planning Commission IA	IA	240519	32416	0	12636	0	103593	16894 Counties	59864 Green Thumb	10803 Contracts	37452	0
East Central Iowa Transit	IA	1300000	96000	0	48000	0	255000	102000 City/County contract	799000	0	0	0
Homecare Services, Inc.	IA	129000	0	0	0	0	0	0	0	0	0	0
Warren County Community Action IA Agency (CCA)	IA	43862	14638	0	7002	0	2000	5522 County	14700	0	0	0
Rides transportation Project	IL	525105	19182	16709	306076	0	56700	19782 Coleman Tri Co. Ser.	46650 In-Kind (rent and labor)	33272 Dept of Public Aid	12686 Job Corp, Spec. Ed, JTPA, Rehab, etc	14040
Transportation for Rural Areas IN of Madison County (TRAM)	IN	151109	0	0	63306	0	43941	24576 Council of Governments	19366	0	0	0
Blue Grass Community Action Agency (BUS)	KY	505759	8446	223893	177398	0	0	43255	0	Employment workshop	52767	0
Community Action Transportation System (C.A.T.S.)	KY	247613	4200	12737	128	0	12850	50000 In-kind	31026 Cash	7500	0	0
Fulton County Transit Authority	KY	156000	0	0	65366	0	0	69000 In kind	0 Service contracts	0	0	0
Green River Inter-County Transit System (G.R.I.T.S.)	KY	369846	39700	4500	278099	44572	0	2975	0	0	0	0
Bay Area Transportation Authority	MI	1241000	0	0	135316	0	589037	431063 Millage and General Fund	85584	0	0	0
City of Jackson Transportation MI Authority	MI	2215000	0	0	51106	0	660000	225000 Millage	309000 Contract Service	308000 Section 9	431382	0
Isabella County Transportation MI Commission	MI	1300000	0	0	140000	0	600000	260000 Millage	300000	0	0	0
Muskegon Area Transit System (MATS)	MI	1400000	0	0	0	0	400000	200000 Muskegon County	200000	0 UMTRA, Sect. 9	600000	0
Twin Cities Area Transportation Authority	MI	714035	0	0	0	0	216657	148457 City of Benton Harbor	87672	0 Section 9 UMTRA	273000 Non transit Revenue	3559
Southeast Missouri Transportation Service, Inc.	MO	1000000	300000	0	300000	0	0	0 Sheltered workshops	100000	0 Contributions	200000 Other contracts	100000
York County Transportation- Handibus Busy Wheels	NE	47479	0	0	16450	0	9569	10891 County Taxea	9569 United Way	10000	0	0
Blue Rivers Area Agency on Aging	NE	259255	16000	0	83611	0	42806	53631 County	42807 In-Kind, Green Thumb Drivers	20400	0	0

Table 3-4 Continued

NAME OF SYSTEM	STATE	ANNUAL OPERATING BUDGET	AMOUNT FROM TITLE III SEC XIX AGING	AMOUNT FROM SEC XIX MEDICAD	AMOUNT FROM UMTA SEC 1682	AMOUNT FROM STATE SEC 1682	AMOUNT FROM LOCAL FUNDING SOURCE 1	AMOUNT FROM FARES	AMOUNT LOCAL FUNDING FROM SOURCE 1	AMOUNT 1 LOCAL FUNDING SOURCE 2	AMOUNT 2 OTHER FUNDING SOURCE 1	AMOUNT 1 OTHER FUNDING SOURCE 2	AMOUNT 2 OTHER FUNDING SOURCE 1	AMOUNT 1 OTHER FUNDING SOURCE 2
Eastern Nebraska Office on Aging	NE	0	0	0	0	0	0	0	0	0	0	0	0	0
Saline County Area Transit	NE	61000	0	0	18101	0	18052	7200 8 towns	12559 County	5000	0	0	0	0
Saunders County Handi Van	NE	28969	0	0	12666	0	6810	2614 County share	6809	0	Title XX-Social Services	90	0	0
Hall County Handibus	NE	94617	0	0	31724	0	22896	8600 Hall County	22897 Csb tickets	8000 Title XX	4500	0	0	0
SENLOW Transportation System	NE	150671	0	0	57096	0	42063	8950 Counties	42062	0	Social Services	500	0	0
DART Transportation	NM	63000	0	0	41205	0	20604	0	0	0	Contract	343	0	0
Chautauqua Area Rural Transit (CARTS)	NY	506043	0	0	223746	0	0	255804 County Government	26493	0	0	0	0	0
Clinton Area Rural Transit (CART)	NY	322321	0	0	48000	0	187090	50336 General Fund	41160	0	0	0	0	0
Gadabout Transportation Services, Inc.	NY	160000	0	0	0	0	0	0	0	0	0	0	0	0
Pee Dee Regional Transportation Authority (PDRTA)	SC	2098434	0	1108788	149938	0	39127	79035 Contracts	519991 Advertising, City, County	64767 UMTA, Section 9	188091	0	0	0
Southeast Tennessee Human Resource Agency (Rural Transportation Authority)	TN	747597	135000	0	261597	0	127000	24000 Headstart	30000	0	CSBG	170000	0	0
Capital Area Rural Transportation System (CARTS)	TX	1800364	92486	113110 1031535	0	110000	131804 In-kind	63922 City Gov't and County	211254 Volunteer (16000) and Other	51105 Local Service Contracts	0	0	0	0
Texoma Area Paratransit System, Inc. (TAPS)	TX	741287	60000	60000	244109	0	111995	55866 Cities, United Way, Service Groups	70466 In kind	31051 UMTA Section 9	107000	0	0	0
JAUNT, Inc.	VA	774987	0	0	0	0	0	182499 297253 Fares include contracts	0 Total 5 localities	110808 Sec. 9 and 18	184427	0	0	0
Potomac Valley Transit Authority	WV	421176	0	0	168088	0	155848	85000	12240	0	0	0	0	0
*** Total ***		21345804	905533	1539737	4694292	44572	4055533	2818122	3113906	904949	2422317	201096		

Table 3-5
MARKETING EFFORTS AND RIDERSHIP

NAME OF SYSTEM	STATE	MARKETING EFFORTS	RIDERSHIP
Coordinated Accessible Rural Transportation System (CARTS)	AL	Greyhound provides flyers and sign advertisements.	24
H.E.L.P., Inc.	AL	Ads have been run in newspaper and radio.	0
West Alabama Health Service	AL	Flyers have been passed out by drivers and bumper stickers have been placed on all vehicles.	200
Region Six Planning Commission	IA	Region Six has placed materials at some senior citizen centers, spoken to senior groups. Logos placed on vehicles.	0
East Central Iowa Transit	IA	Very little.	5
Homecare Services, Inc.	IA	Flyers, brochures- HIRTA and our agency. Sample material paid by Greyhound.	5
Warren County Community Action Agency (CAA)	IA	Press releases, brochures, posters received through HIRTA and distributed by our agency.	1
Rides Transportation Project	IL	News releases and flyers	2
Transportation for Rural Areas of Madison County (TRAM)	IN	Radio advertisements in August and late November-- posters distributed to town halls and nursing homes.	0
Blue Grass Community Action Agency (BUS)	KY	Joint effort newspaper in 3 areas- no visible response due to lack of money for effective campaign.	11
Community Action Transportation System (C.A.T.S.)	KY	Newspaper, radio, ads, Greyhound sticker on vans, word of mouth.	16
Fulton County Transit Authority	KY	Our F.C.T.A. transit has advertised by radio, mail inserts, posters on vans.	23
Green River Intra-County Transit System (G.R.I.T.S.)	KY	None	6
Bay Area Transportation Authority	MI	Flyers, direct mail, brochures, radio and print advertising, visits to housing units, schools, etc.	92
City of Jackson Transportation Authority	MI	Advertising in radio, television, newspaper, and placemats. Distribution of fliers and Rural Connection cards.	957

Table 3-5 Continued

NAME OF SYSTEM	STATE	MARKETING EFFORTS	RIDERSHIP
Isabella County Transportation Commission	MI	Radio spots and print media ads developed from provided information by ICTC staff.	580
Muskegon Area Transit System (MATS)	MI	Newspaper advertising, handout pamphlets, news releases, billboards done by MATS	32
Twin Cities Area Transportation Authority	MI	Newspaper ads, radio and word of mouth by local transit properties.	303
Southeast Missouri Transportation Service, Inc.	MO	Southeast Missouri Transportation, Inc. has distributed flyers, advertised in newsletters and promoted service among riders.	5
York County Transportation- Handibus/Busy Wheels	NE	News release in paper by Greyhound.	0
Blue Rivers Area Agency on Aging	NE	Press releases, local newspapers and radio	22
Eastern Nebraska Office on Aging	NE	Flyers, handouts	0
Saline County Area Transit	NE		47
Saunders County Handi Van	NE	Hung posters, ad in newspapers	0
Hall County Handibus	NE	Newspaper and radio release	11
SENLOW Transportation System	NE	Greyhound Corporation Rural Connection Program	3
DART Transportation	NM	We are solely funding marketing through radio, print, and TV.	78
Chautauqua Area Rural Transit (CARTS)	NY	Press releases from our office.	0
Clinton Area Rural Transit (CART)	NY	Self (CART) - pamphlets, posters, newspaper ads, radio	19
Gadabout Transportation Services, Inc	NY		0
Pee Dee Regional Transportation Authority (PDRTA)	SC	Newspapers ads, flyers, posters, on-vehicle signs, radio, press releases, billboards, marketing dept. of PDRTA.	1
Southeast Tennessee Human Resource Agency	TN	Very little.	0
Capital Area Rural Transportation System (CARTS)	TX	CARTS produced and ran 30 sec. spot on local TV, ran display ads in newspapers, produced flyers. GH & KV assisted on initial marketing program with cash contribution.	163

Table 3-5 Continued

NAME OF SYSTEM	STATE	MARKETING EFFORTS	RIDERSHIP
Texoma Area Paratransit System, Inc. (TAPS)	TX	Newspapers, posters, flyers, combined effort.	65
JAUNT, Inc.	VA	We gave kickoff event, did numerous newspaper articles.	68
Potomac Valley Transit Authority	WV	PVTA has placed radio ads on 2 stations, placed newspaper ads, and made a news release which was written by Greyhound announcing a special fare promotion.	5
*** Total ***			2744

marketing efforts for the Rural Connection Program, but still continue to do some marketing for it. To date they have made one connection via the RCP for a revenue of \$5.90.

Otis Livingston, the Executive Director of the Pee Dee Regional Transportation Authority, has been nationally recognized by the Community Transportation Association of America (CTAA) for his abilities in the area of marketing. Because he is knowledgable in the area of marketing, has marketed the program, yet has had very little ridership, he has concluded that there is no consumer need for the Rural Connection Program in his area.

If lack of demand for the service, and not lack of marketing is the main reason for low ridership, then it would not be cost effective to spend more money on marketing for all participants in the RCP. Fifteen of the respondents indicated that they would like Greyhound to provide financial assistance to help their marketing efforts. The survey results seem to indicate that major marketing efforts would only be cost effective for those systems where there is a proven demand for the service.

Service Hours

The discussion of marketing and demand leads to the issue of service hours. It may be that the Connector systems are marketing the service, there is a demand for the service, but the systems do not have service hours on weekends and evenings, during the peak ridership hours for the intercity carriers. Table 3-6 compares hours of service and ridership for the RCP. Of the 36 respondents, only five of them provided service on both Saturdays and Sundays, and another five operated on Saturdays but not on Sundays. Only six of the respondents operated after 6:00 p.m.

These responses directly relate service hours with RCP ridership. All five of the systems in the high ridership group have hours that extend beyond just weekday service. Of these five high ridership systems, two of them have both weekend and evening service, two have weekend service but not evening service, and one has evening service but not weekend service. For the moderate ridership group, two have extended hours and two do not. Within the low ridership group, 22 of the systems have no regular weekend or evening service, two of the systems have weekend service as needed, one has regular weekend hours, and one has weekend hours only on Saturdays. None of the systems in the low ridership group have evening hours.

After visiting one of the highest ridership RCP systems, the City of Jackson Transportation Authority (JTA), in Jackson, Michigan, it was found that there are not many riders using the service during the extended hours. The operator in Jackson, Gordon Szlachetka, theorized that the correlation between extended hours and ridership exists not because people necessarily want to travel during evening and weekend hours, but because they want the peace of mind of knowing that should a problem occur

Table 3-6
SERVICE HOURS AND RIDERSHIP

NAME OF SYSTEM		STATE	HOURS OF SERVICE	RIDERSHIP
Coordinated Accessible Rural Transit System (CARTS)		AL	Monday-Friday 0800-1700	24
H.E.L.P., Inc.		AL	MWF, 0500-1700, TuTh, 0600-1600	0
West Alabama Health Service		AL	Monday-Friday, 0700-1700 Saturday & Sunday, on-call	200
Region Six Planning Commission	IA		Monday-Friday, 0630-1630	0
East Central Iowa Transit	IA		Sun., 0800-1400, M-F, 0600-1730, Sat., 0600-1900	5
Homecare Services, Inc.	IA		Monday-Friday, 0615-1830 Sat.-Sun, Special assignment only	5
Warren County Community Action Agency (CAA)	IA		Monday-Friday 0830-1630	1
Rides Transportation Project	IL		Monday-Friday, 0600-1800 Some evening and weekend service upon request.	2
Transportation for Rural Areas IN of Madison County (TRAM)			Monday-Friday, 0600-1700	0
Blue Grass Community Action Agency (BUS)	KY		Monday-Friday, 0700-1700	11
Community Action Transportation System (C.A.T.S.)	KY		M., F. 0600-2000 Tu. 0600-1800, W.0530-2000 Th.0630-1800	16
Fulton County Transit Authority	KY		Monday-Friday, 0645-1700 Saturday 0800-1300	23
Green River Intra-County Transit System (G.R.I.T.S.)	KY		Monday-Friday, 0800-1630	6
Bay Area Transportation Authority	MI		Monday-Friday, 0600-1800 Saturday, 0900-1800	92
City of Jackson Transportation Authority	MI		Mon-Thur, 0600-1815 Sun, 0700-1500, F, 0600-2200, Sat 10-10	957
Isabella County Transportation Commission	MI		M-F 600-1900, Su 8-5, Sa 630-7. Contract for aft. hrs serv.-until 10pm-2am	580
Muskegon Area Transit System (MATS)	MI		Monday-Friday, 0700-1800 Saturday, 1000-1800	32
Twin Cities Area Transportation Authority	MI		Monday-Friday 0600-1900 Saturday 0800-1630	303
Southeast Missouri Transportation Service, Inc.	MO		as needed	5
York County Transportation- Handibus/Busy Wheels	NE		Monday-Friday, 0800-1700	0

Table 3-6 Continued

NAME OF SYSTEM	STATE	HOURS OF SERVICE	RIDERSHIP
Blue Rivers Area Agency on Aging	NE	Monday-Friday, 0815-1615	22
Eastern Nebraska Office on Aging	NE	Monday-Friday, 0645-1600	0
Saline County Area Transit	NE	Monday-Friday 0800-1800	47
Saunders County Handi Van	NE	Monday-Friday, 0800-1700	0
Hall County Handibus	NE	Monday-Friday, 0800-1700	11
SENLOW Transportation System	NE	Monday-Friday, 0800-1700	3
DART Transportation	NM	24 hours per day, 7 days per week	78
Chautauqua Area Rural Transit (CARTS)	NY	Monday-Friday, 0800-1800	0
Clinton Area Rural Transit (CART)	NY	Monday-Friday, 0700-1900	19
Gadabout Transportation Services, Inc	NY	Monday-Friday, 0730-1800	0
Pee Dee Regional Transportation Authority (PDRTA)	SC	Monday-Friday, 0700-1800	1
Southeast Tennessee Human Resource Agency (Rural Transportation Authority)	TN	Monday-Friday, 0800-1630	0
Capital Area Rural Transportation System (CARTS)	TX	M-F, 0800-1700. Suburban, MTA Contract Serv., M-F, 0600-2130	163
Texoma Area Paratransit System, Inc. (TAPS)	TX	Monday-Friday, 0800-1700	65
JAUNT, Inc.	VA	Monday-Friday, 0630-1830	68
Potomac Valley Transit Authority	WV	Monday-Friday, 0445-1740	5
*** Total ***			2744

with their travel plans they will not be stuck at the Greyhound Terminal after hours with no way home if they choose to use the RCP.

Another interesting ridership factor became apparent after visiting the State of Michigan and two of its Rural Connection systems. From visiting these systems it appears that for a system to have a high level of ridership there needs to be some kind of intercity bus ridership generator within the community. An example of this exists for the City of Jackson Transportation Authority. There is a prison located within the service area, and the bulk of the riders using the RCP are people who have come in on the Greyhound bus from Detroit about 90 miles away to visit friends or relatives at the prison. An intercity bus ridership generator also exists for the second most successful RCP, Isabella County Transportation Commission (ICTC), in Mt. Pleasant, Michigan. The bulk of their RCP riders travel to and from Central Michigan University which is located within their service area.

The next factor we examined from the survey was the relationship between the RCP operators and the Greyhound ticket agents. The survey asked the participants if they were satisfied with the Greyhound ticket agents in their communities and what comments they had concerning these agents. Forty-four percent of the respondents were not satisfied with their Greyhound agents, 36 percent were satisfied with their agents, and 19 percent did not answer the question.

A common complaint among the respondents was the lack of knowledge about the RCP found among the Greyhound agents. Some other related complaints include the agents refusing to honor the coupons and the agents giving out wrong information to passengers about the program. On a more optimistic note, three of the Greyhound agents received very positive comments concerning their handling of the RCP.

The most successful Rural Connector, the City of Jackson Transportation Authority, has a great relationship with its Greyhound ticket agent. With each ticket the agent sells, he includes a card with information about the connection service. There is also a great deal of communication between the manager of the transportation authority and the Greyhound ticket agent.

From the experience in Jackson, Michigan, it would seem that a positive working relationship between the transit operator and the Greyhound agent is a key element in the overall success of a feeder service. This is not the case, however, for the other high-ridership Rural Connection participant, the ICTC. Although the manager of ICTC did not provide any comments on the survey concerning the Greyhound ticket agent in his community, he did indicate that he was not satisfied with the agent.

Although the overall survey results did not seem to support a direct relationship between ridership and satisfaction with the Greyhound ticket agents, the experience of a few operators suggests that good communication between the program participants and the agents is an important factor in the participants' satisfaction with the Greyhound. If the connecting transit operator and Greyhound ticket agent have a

good working relationship, they can examine together the whole connection process and see where the problems are and perhaps why the people are or are not using the service. The transit operator will probably not be as quick to blame the agent for problems with the program if they are working together to achieve good connecting service for the passengers.

A majority (64%) of the RCP survey respondents were not satisfied with the program. Thirty-one percent of the respondents were satisfied with the program and the remaining five percent did not respond to the question. Most of the reasons cited for lack of satisfaction were related to the lack of ridership. Other issues that troubled the respondents included the abundance of paperwork for too little revenue and a lack of funds for marketing the program.

There were not as many positive comments about the program, as the participants who said they were satisfied tended not to write down any comments. One operator indicated that the program has accomplished all of the goals expected of it and was looking forward to future endeavors with the intercity carriers.

One positive result of participating in the RCP that was difficult to measure was the added prestige in the community for the rural operators that came along with being associated with Greyhound. A couple of systems mentioned this when listing their goals for the program, and another system mentioned this in a phone conversation. One operator felt that although the RCP has not been a success in his service area, the association with Greyhound has benefited his system as a whole.

The survey respondents offered many suggestions for improving the program. The topic of marketing generated the most suggestions. One common suggestion was for Greyhound to provide funds to help the rural operators market the program. Most of the program participants do not have the financial or manpower resources to create high quality marketing promotions, especially for such a small market of riders. A related suggestion was for Greyhound to produce some generic radio and television ads that the rural systems could use. Some operators also had concerns about the quality of the marketing materials currently being provided by Greyhound.

In addition to marketing, there were a few other commonly mentioned areas where the operators had suggestions for the program. Increasing awareness of the program throughout the Greyhound organization, providing reimbursement for inbound riders, and increasing the reimbursement rate were some of these suggestions. Table 3-7 displays the respondents comments concerning their satisfaction with the program as well as their suggestions for the program.

Table 3-7: SATISFACTION AND SUGGESTIONS

NAME OF SYSTEM	STATE	SATISFIED WITH PROGRAM	SATISFACTION COMMENTS	SUGGESTIONS FOR PROGRAM
Coordinated Accessible Rural Transit System (CARTS)	AL	n	We still have a ways to go to achieve public awareness of this program.	More ticket agents better aware of the availability of the CARTS program.
H.E.L.P., Inc.	AL	n	We have been unable to gather public use of the feeder link. I think this is primarily due to only 2 buses a day that we can connect with.	Provide rural connector information with all tickets purchased, giving the number of the rural transportation program. Any information given out on ticket cost should also include information on the Rural Connector Program.
West Alabama Health Service	AL	n	We feel that passengers are utilizing our services to Greyhound Terminals but are not being properly reported.	
Region Six Planning Commission	IA	n	We need to promote service more. Greyhound has supported efforts. We need to promote it more.	
East Central Iowa Transit	IA	n	More participation could probably take place.	
Homecare Services, Inc.	IA	n	Expect a lot of promoting, etc., which benefits Greyhound re: ridership= age, county and not our systems. Unable to do this due to time and monetary constraints.	Has Greyhound made any surveys etc., which benefits Greyhound re: ridership= age, county and not our systems. Unable to residence, etc. to see what kind of market we're looking at and the potential for growth if we do more promoting.
Warren County Community Action Agency (CAA)	IA	n	Not enough participation for the time and paperwork involved with it. Also not enough revenue involved to make it worth collecting it from Rural Connection Program.	

Table 3-7 Continued

NAME OF SYSTEM	STATE WITH PROGRAM	SATISFIED WITH PROGRAM	COMMENTS	SUGGESTIONS FOR PROGRAM
Rides Transportation Project	IL	Y	One problem is the no shows--riders who call for a pick up--we travel 20 plus miles and they do not show. We have no way to recoup our loss.	
Transportation for Rural Areas IN of Madison County (TRAM)			TRAM has not previously made many trips to the Greyhound terminal prior to the Rural Connection. Therefore, we were not expecting many riders however, the ticket agent knew nothing about the program.	Some type of follow up for agents--when representatives of CTA and Greyhound were here in August to visit the terminal, I assumed the agent was aware of the program. This was obviously not the case.
Blue Grass Community Action Agency (BUS)	KY	n	Our system does not have the money or manpower to effectively market the program. Need more assistance from Greyhound in both areas.	Greyhound should more fully support the program monetarily if they want it to succeed. They should consider also paying coupon in-bound passengers as they are more difficult to serve but more frequent riders.
Community Action Transportation System (C.A.T.S.)	KY	Y	With exception, lack of ridership	More aggressive advertisement of our services to the general public concerning passengers and package delivery to and from Greyhound in our area of operation.
Fulton County Transit Authority	KY	Y	Only wish there were more.	More advertising on Greyhound's part. Educating terminals and agents.
Green River Intra-County Transit System (G.R.I.T.S.)	KY			
Bay Area Transportation Authority	MI	Y	Need to increase summer ridership (generally service area)	More discounts and promotions without restrictions; coordinate local with national marketing; more basic regional marketing research; more schedule stability; agents need to accept checks and credit cards.

Table 3-7 Continued

NAME OF SYSTEM	STATE	SATISFIED	SATISFACTION COMMENTS	SUGGESTIONS FOR PROGRAM
WITH PROGRAM				
City of Jackson Transportation Authority MI	Y		In the area of marketing, I would like to see more generic radio ads being produced for the different transit systems. A generic 30 second television commercial should also be produced.	
Isabella County Transportation Commission MI	n	Yes and No, Yes- pleased to be involved in program with GLI, NO- Marketing, of local bus and GLI for bus program.	See #23 and #20 above.	
Muskegon Area Transit System (MATS) MI	n		Seems to be little or no local National television advertising done by Greyhound.	
Twin Cities Area Transportation Authority MO	y	We have been able to help those in the rural area come to the City and use the Greyhound to travel elsewhere.		
Southeast Missouri Transportation Service, Inc.	n	Greyhound must focus on immediate profits and is unable or unwilling to invest in a long term partnership focused on customer service. RC Prog. is an opp. to assist the co. coming out of receivership.	Allow part. to become loc. trans. coord. ctr., w/subcontracting to other operators for best way service increase commission for orig. carrier; est. shared risk insurance prog. by 1992; provide passes for board of drivers & intro.serv.	
York County Transportation- Handibus/Busy Wheels NE	n	We haven't really done anything- that is our flaw- no time or staff to implement.		
Blue Rivers Area Agency on Aging NE	n	We are limited due to our present schedules (example- we funds only go to the terminal 1 day a week!)	Try to allocate advertising funds increase reimbursement rate.	
Eastern Nebraska Office on Aging	NE	n	Not enough riders	More advertising

Table 3-7 Continued

NAME OF SYSTEM	STATE	SATISFIED WITH PROGRAM	SATISFACTION COMMENTS	SUGGESTIONS FOR PROGRAM
Saline County Area Transit	NE	y	Since we haven't had anyone use it yet, I cannot answer this question fairly.	None
Saunders County Handi Van	NE			We are thrilled with the "Many Happy Returns" Program. Great idea.
Hall County Handibus	NE	y		
SENLOW Transportation System	NE	y		
DART Transportation	NM	y		
Chautauqua Area Rural Transit (CARTS)	NY	n	As of yet we have not carried a passenger.	GLI should offer a fare discount for passengers with Rural Connection coupons all the time rather than a once a year round trip for the price of one way promotion.
Clinton Area Rural Transit (CART)	NY	n	I'm having a problem convincing the contractor (and drivers) that they should give coupons to CART passengers debording at the Greyhound terminal at all times- not just when there is a fare promotion	
Gadabout Transportation Services, Inc	NY		We have very little usage	People need to call us and request a ride to Greyhound Station. If they don't, we have no further recourse.
Pee Dee Regional Transportation Authority (PDRTA)	SC	n	In spite of our efforts to promote the program, it has never developed. I really do not know the reason for this, but must conclude that there is simply no consumer need in this area.	Increase advertising in rural areas provide financial assistance to agency marketing effort provide information on "success stories" so we can learn from others.
Southeast Tennessee Human Resource Agency (Rural Transportation Authority)	TN	n	Would like to transport more people to Greyhound Terminal.	More marketing.

Table 3-7 Continued

NAME OF SYSTEM	STATE	SATISFIED	SATISFACTION	COMMENTS	SUGGESTIONS FOR PROGRAM
WITH PROGRAM					
Capital Area Rural Transportation System (CARTS)	TX	Y	It has accomplished all of our goals for the program. I believe the relationship between CARTS & IC carriers will evolve into bigger and better things in the future based on the foundation of RCP.	More maintenance of effort in consistent manner by both local intercity and community transportation staff. More awareness of program within Greyhound organization, including agency network.	Adequate funding to provide staff support, paid advertising, promotions.
Texoma Area Paratransit System, Inc. (TAPS)	TX	n	Don't have staff time to devote for continued promotion and advertising.	See above and our numbers	Funding for advertising and better marketing materials.
JAUNT, Inc.	VA	n			
Potomac Valley Transit Authority	WV	n	Program hasn't been utilized to the degree I think is possible. Additional promotion by Greyhound and PVTA is necessary. With proper work, I believe the RCP can be successful.	Allow co-op marketing with rural connectors and local ticket agents. Continue & expand promos such as the half fare promotion. Greyhound should have greater presence in rural areas. Marketing is too much the responsibility of the rural operator.	

CASE STUDIES: CARTS AND JAUNT

Four case study site visits were conducted as part of this analysis to provide more insight into the Rural Connection program and the role of the participating rural operators. The case studies include: Capital Area Rural Transportation System (CARTS) in central Texas; JAUNT in Charlottesville, Virginia; Jackson Transit Authority in Jackson, Michigan; and Berrien Bus in Benton Harbor, Michigan. A summary of each of these case studies is included in this chapter, while the full case studies are included in Appendix C.

Capital Area Rural Transportation System (CARTS)

CARTS is a Section 18 Rural Transit operator in nine counties of Central Texas. CARTS functions both as a broker of services and as a direct operator of services. CARTS contracts with seven agencies to provide service in the nine counties. CARTS provides contracted service to a number of human service programs including Title III of the Older Americans Act and Title XIX of the Social Security Act. Thirty-four percent of its service is directed to the general public in the form of commuter service, suburban and rural fixed route. Demand-responsive service is also available to the general public according to a schedule that is published in each county. Greyhound and the Kerrville Bus Company run a number of schedules through the CARTS Service Area (Figure 3-1). All routes except two go through Austin which is in the center of the CARTS service area.

Goals of the Program

While there were no formal goals and objectives, all of the key participants articulated the same theme throughout the discussion. All participants agreed that the following are goals of the RCP:

- Increase Ridership. There is no question that each participant felt that an increase in intercity and rural transit usage is the number one goal of the program.
- Cooperation with Intercity Operators. All participants recognize the need to work together in rural areas where intercity ridership and service is diminishing.

In addition, CARTS has two additional goals for the program, they are:

- Building CARTS image as a public transit operator. CARTS like many other Section 18 operators in Texas evolved from social service agencies. Over the years, these Section 18 public operators have at times been unable to shed the image of a social service agency. Being affiliated with intercity bus operators has assisted these systems in shedding this image.

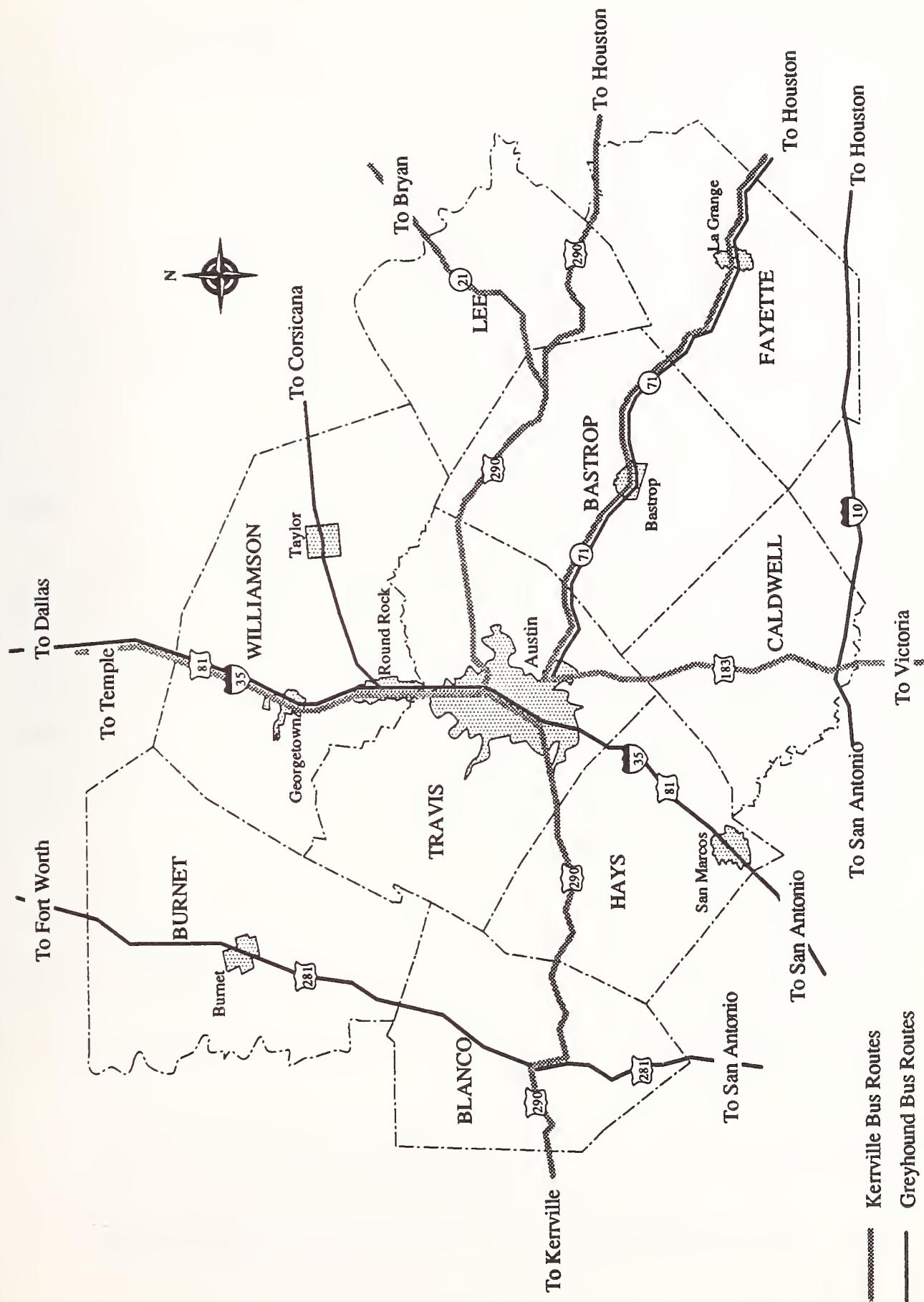


Figure 3-1: INTERCITY BUS ROUTES IN THE CARTS SERVICE AREA

- Availability of Additional Service. CARTS is a service organization. Mr. Marsh sees the RCP as an additional service offered to his customers. His goal is to expand CART's role in public transportation. The RCP is one way to expand services.

Key Findings

CARTS' goals for the program are for the most part being met by its participation in the program. The major goal that has not been reached (nor ever clearly defined), has been the goal of increasing ridership. Over the past 20 months, ridership (inbound and outbound) has averaged 7.5 passengers per month. For these reasons, most of the barriers to success revolve around the ridership goal. This section will review the key findings by functional area.

Operations: Possibly the greatest barrier to success is the fact that CARTS does not operate during the peak hours for intercity travel (Friday evening and Sunday afternoon and evening). This is a serious barrier that deprives the program of a significant portion of the potential ridership. CARTS operates 8:00 a.m. to 5:00 p.m. Monday thru Friday. According to Mr. Marsh, additional funds would be required to extend service to evening and weekends.

Another barrier cited is the difficulty encountered by a passenger wanting a rural connection from the terminal to a rural area. The burden is on the passenger to set up both legs of the return trip separately, as well as probably having to make a long distance call. In addition, the ticket agent must inform the passenger that a connection exists (since there is no national marketing of this program). CARTS feels that the terminal agents are the weakest link in that they typically do not care about the program and do not want to do the paperwork.

Administration/Linkages: The most significant problem in this area is the lack of communication at the local level, between the subcontractors and the terminal agents. This could be because neither entity can afford to spend time in this effort. Mr. Marsh suggested that on a quarterly basis, the local CARTS manager meet with the terminal agent and the Greyhound sales representative to ensure good communication and cooperation.

Marketing: Marketing was one of the major concerns expressed by CARTS and its subcontractors. This feeling was that the Greyhound marketing effort:

- require too much time and effort on the part of the rural operator. Therefore the marketing is not performed adequately,

- has poor quality marketing materials,
- has no national RCP marketing effort in conjunction with Greyhound's national marketing, and
- places all of the marketing burden (time, effort, and funding) on the rural operator.

Financial: There are no significant financial burdens placed on CARTS. However, in order for the service to generate more riders, it would need additional funding to operate Friday evening and Sunday.

Regulatory: Currently the regulatory issues are under negotiation. However, this has not impacted on CARTS at this time. If the negotiations are unsuccessful, regulatory requirements could become a significant barrier.

JAUNT

JAUNT is a Section 18 rural transit operator in Albemarle, Fluvanna, Louisa, and Nelson Counties of Virginia as well as operating a demand-responsive service in the City of Charlottesville. JAUNT operates a variety of transportation services for human service agencies and the general public. Approximately 46 percent of JAUNT's riders are general public. According to the Greyhound Terminal Agent, there are approximately 17 peak schedules over three routes (Figure 3-2) through Charlottesville and average daily boardings range from 30-40 day in the winter when the University is out of session to 140 per day in the peak season.

Goals of the Program

There were no formal goals set up for the program, however, the goals outlined by Ms. Wilson are, in fact, recognized by staff as the program goals.

- Increase in Ridership. There was an expectation that ridership would increase in the RCP. However, the level of increase was never articulated.
- Cooperation and Working Relationship with Intercity Carrier. All participants recognize the need to work together in order to maintain a rural public transportation network through the coordinated efforts of Greyhound and JAUNT.
- Improving Mobility for Transit Dependent. Ms. Wilson feels that this service has the potential to increase options for travel in the JAUNT service area.

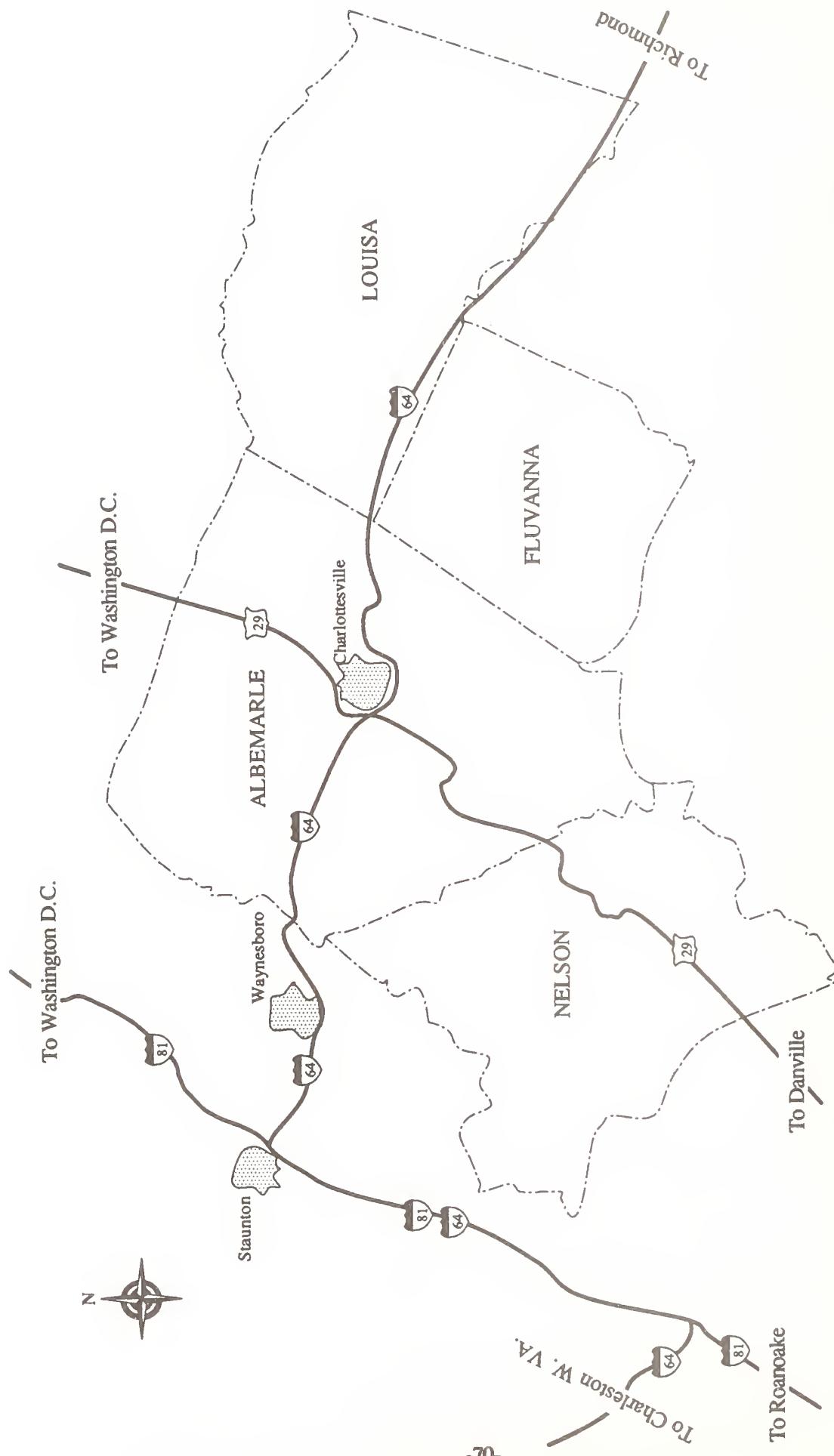


Figure 3-2: INTERCITY BUS ROUTES IN THE JAUNT SERVICE AREA

Key Findings

JAUNT's goal of better relationships with the intercity carriers appears to have been met. The major goals of increasing ridership and mobility, however, have apparently not been met (although no specific performance standards were identified). Ridership is currently at approximately three one-way trips per month. This section will review the barriers to meeting the goals of the program.

Operations: The greatest operational barrier to the program is the incompatibility of the two system service hours. JAUNT does not operate during Greyhounds peak hours, depriving itself of a significant portion of the potential RCP ridership. According to Ms. Wilson, additional funds would be required to extend service hours.

The other major barrier is the difficulty encountered by potential passengers in scheduling a rural trip outbound from the terminal. It is possible that, because there is no national marketing effort, many passengers desiring to come into JAUNT's service area may not be aware of the RCP.

Administration/Linkages: The most significant problem in this area, according to Ms. Wilson, is the lack of good cooperation and communication at the Greyhound regional and corporate level. There has been little assistance of any sort from Greyhound, in regard to this program. As a result of this, JAUNT and the local terminal agents are reluctant to commit resources to the program.

Marketing: In January marketing was nonexistent. JAUNT, as of January 18, 1990, had not implemented any marketing for the fare promotion initiated January 8, 1990. JAUNT feels that the quality of the Greyhound marketing materials are poor, and takes too much time and money to put together and distribute. Greyhound has not implemented an effective marketing campaign. This ineffective marketing effort is one of the primary reasons the program has failed to generate ridership according to Ms. Wilson.

Financial: There are no significant financial burdens placed on JAUNT. However, in order for the service to generate more riders it would need funding for marketing and the expansion of service hours.

Regulatory: There are no significant barriers in this area.

OVERVIEW OF THE MICHIGAN DEMONSTRATION PROGRAM

While the purpose of this study is not an evaluation of the Michigan demonstration program, it must address the issues that are being tested by that program. The Michigan program is a two-year project, administered by the Intercity Division of the Bureau of Urban and Public Transportation (UPTRAN), utilizing state and UMTA funding. It was designed to test the idea that linking rural or county-wide transit systems to the remaining intercity bus routes could provide mobility for intercity trips without subsidizing replacement intercity service. The program includes \$700,020 for operating assistance and marketing. The operating assistance is for the rural operators to allow them to provide service during weekday evenings, on Saturdays and Sundays. The rationale is that the weekly peak ridership periods for intercity buses occur on Friday afternoons and evenings, and on Sundays, as people make weekend trips. In some cases communications systems were also enhanced, staff hours increased, and vehicles added to allow the additional service. Each system receives \$1,000 per month for marketing to allow them to develop and distribute marketing to inform and attract the public to the Rural Connection. Marketing can include radio and cable television spots, print ads in newspapers and shoppers guides, brochures, posters, business cards, and billboards. Michigan chose seven systems for the demonstration based on various assessments of the type of market represented, the size of the system, the structure of the transit services in the area, etc. Systems in five counties have begun participating in the demonstration already, and an additional two systems (in Ionia and Marquette) are due to start in the spring of 1990. The long term goals of the program include the development of a statewide toll-free telephone information number to provide users with information on the intercity and local systems and intercity services. After the demonstration it is estimated that seven new counties would be added each year until the intercity bus network in the state is fully coordinated with local providers. After the demonstration, the state funding would be provided for marketing only, and only if the local system maintained the expanded service hours.

The Michigan demonstration is continuing, and a complete evaluation must await the end of the two-year period. However, the Intercity Division did provide data on ridership and grant status through March 1, 1990, for the five counties (six systems) already operating. Table 3-8 presents ridership by system by month for calendar 1989. A lack of entries indicates that the system had not yet started operations. Table 3-9 presents ridership by time and day of service as a means of determining the impact of expanded service hours and days. For those systems supplying data by time of day, it appears that approximately two-thirds of the ridership takes place during normal weekday service hours, with an additional 14.3 percent after hours on weekdays, ten percent on Saturdays, and seven percent on Sundays. A majority of the trips are outbound, with 59 percent originating on the Rural Connectors, and 41 percent having the Rural Connection as the means to their destination. Finally, Table 3-10 presents the grant

Table 3-8: MICHIGAN RURAL CONNECTION RIDERSHIP FOR CALENDAR YEAR 1989

Transit System	1989	January	February	March	April	May	June	July	August	September	October	November	December
Berrien Bus		2	29	19	7	12	8	11	2	7	9	9	17
Twin Cities Area Transit Authority		61	19	11	16	42	57	33	14	27	15		
Isabella County Transportation Authority	25	14	112	63	33	25	12	16	18	23	38	36	
Bay Area Transportation Authority		24	20	5	3	11	13	1	1	10	4	4	19
Muskegon Area Transit System		6	6	3	4	2	2	2	3	3	4		2
Jackson Transportation Authority	47	84	75	67	81	70	83	107	73	71	100		
TOTAL MONTHLY RIDER	72	100	301	194	143	129	160	206	129	123	182	89	

Shaded areas indicate program not yet in operation

Table 3-9: MICHIGAN RURAL CONNECTION RIDERSHIP BY TIME AND DAY OF SERVICE

RIDERSHIP	ITA	ICTC	MATS	BATA	BERRIEN	TCATA	TOTAL	PERCENT OF TOTAL RIDERSHIP*
Regular Hours M-F	590		28	46	90	316	1070	68.8%
After Hours M-F	150		0	38	30	4	222	14.3%
Saturdays	120		0	25	10	0	155	10.0%
Sundays	87		0	19	3	0	109	7.0%
TOTAL	947	214	28	128	133	320	1770	
Inbound	333		12	46	67	175	633	41.0%
Outbound	614		16	82	66	145	923	59.0%
GRAND TOTAL PASSENGERS	947	214	28	128	133	320	1770	

* Not including ICTC

Table 3-10: MICHIGAN RURAL CONNECTION DEMONSTRATION PROGRAM STATUS AS OF 3-1-90

	Berrien Bus	Twin Cities Area Transit Authority	Bay Area Transportation Authority	Muskegon Area Transit System	Jackson Transportation Authority	Isabella County Transportation Authority
Total operating authorized	\$86,688.90	\$90,559.46	\$135,809.36	\$86,250.75	\$91,463.75	\$89,248.00
Total marketing authorized	11,000.00	0.00*	24,000.00	24,000.00	24,000.00	24,000.00
GRAND TOTAL AUTHORIZED	\$10,688.90	\$90,559.46	\$159,809.36	\$110,250.75	\$115,463.75	\$113,248.00
Operating used to date	9,281.91	13,167.90	3,336.90	9,290.20 (Bus Rehab)	26,506.35	1,051.98
Marketing used to date	6,199.50	0.00	2,140.09	1,179.50	14,565.13	5,997.34
TOTAL USED TO DATE	\$33,543.46	\$13,167.90	\$22,580.30	\$13,429.62	\$41,071.48	\$15,535.07
TOTAL REMAINING	\$77,145.44	\$77,391.56	\$137,229.06	\$96,821.13	\$74,392.27	\$97,712.93
TOTAL RIDERSHIP	133	320	128	32	858	318
TOTAL COST PER RIDER		\$103.00		\$176.00	\$420.00	\$49.00
					TOTAL	\$78.00

*Berrien Bus System provides marketing for Twin Cities.

Systems have been in operation for varying lengths of time.

Source: Michigan Department of Transportation

status for the six systems as of March 1, 1990. Of particular concern at this time is the high cost per passenger, if the marketing and operating costs are divided evenly over the number of passengers carried on each system. For the two most heavily used systems, JTA and ICTC, the cost per Rural Connection passenger is almost the same at \$48 and \$49, respectively. It should be noted that ridership is still developing, and that public awareness of the option is still building. Over time, with more riders and lower marketing costs, these figures should improve.

The Michigan DOT has done a preliminary user survey¹ of riders at JTA and ICTC, and the results of that survey indicate:

- Over half the riders surveyed were using the Rural Connection to reach intercity buses for the first time. Twenty-six percent were riding the system for the first time for any reason.
- Previous intercity bus riders are using the Rural Connection to reach bus services. Eighty-one percent of those surveyed had used an intercity bus to make at least one trip in the past year.
- Previous Rural Connection riders had, on average, made two more intercity trips than all riders.
- The largest percentage of riders learned of the Rural Connection by word of mouth from friends or relatives, followed by information from the agent.
- Fifteen percent of the riders would not have made the intercity trips if not for the availability of the rural connection service.
- Twenty-seven percent of the first time riders had not used it before because they were not aware it was available.
- Transportation provided by friends and relatives was the largest reason given for not using the Rural Connection, at 53 percent.

In order to learn more about the results of this demonstration, two site visits were made in Michigan. One was with JTA, the connector with the highest cumulative ridership in the country, and the other with Berrien Bus, to see a rural operator with low ridership despite the assistance provided by MDOT. Case studies on these two systems follow in the next two sections.

¹Michigan Department of Transportation, Bureau of Urban and Public Transportation, Michigan's Rural Connector Program, presentation to the Committee on Intercity Bus Transportation of the Transportation Research Board, January 9, 1990.

Jackson Transit Authority (JTA)

JTA is a transportation authority organized under Michigan Public Act 196, which allows for flexibility in funding transportation through contractual and other financial arrangements. It is both a Section 9 and 18 recipient, which is combined with aid from the state, and support from a local millage to operate the system. In addition, it has used its contracting flexibility to provide fixed route service to two surrounding townships under a purchase of service contract, and has generated several contracts with state and human service agencies to provide client transportation. Contract service revenue now exceeds \$500,000 per year. The system operates eight fixed routes on half hour headways to connect trip generators in the urbanized area. In addition, five demand-responsive vehicles provide such service both inside the urbanized area, and in the County outside the urban area. Another van is provided for out-of-county medical service. Contracted human service transportation utilizes an additional 14 vehicles. The system operates local charters under an UMTA-approved agreement with the local private charter bus operator, and it operates a major transit center in downtown Jackson. The total peak vehicle requirement is 30 vehicles, with five spares. The system operates 19 GMC RTS coaches, and 16 small bus vehicles, along with a number of auxiliary, staff, and service vehicles.

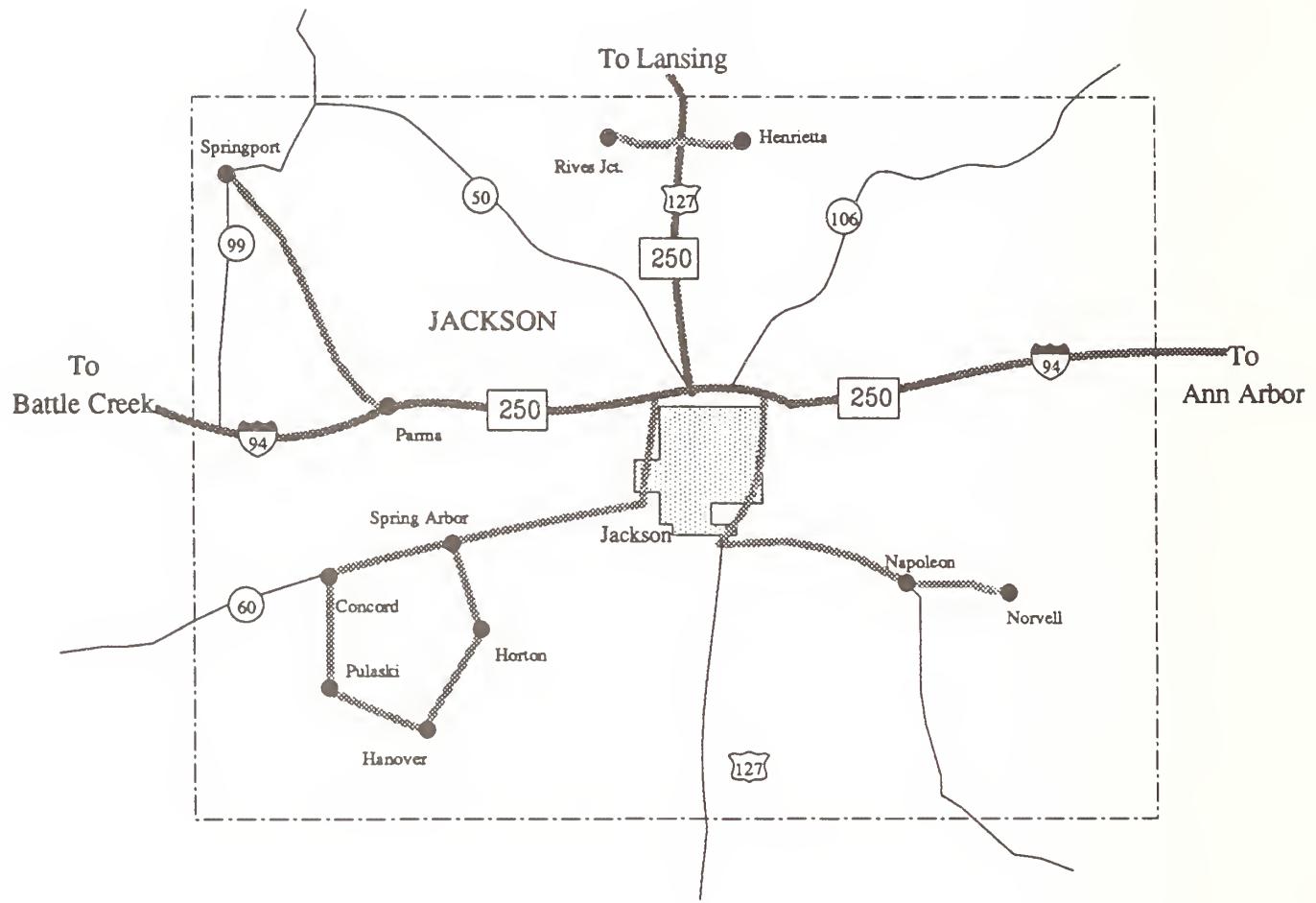
Jackson is served by Greyhound routes traveling both east-west and north as can be seen in Figure 3-3. The combination of these two routings results in eight daily schedules inbound from Detroit, along with eight outbound to Detroit. JTA is a participant in the Michigan Rural Connector demonstration program, and so has extended operating hours to serve persons departing or arriving on intercity buses after normal service hours.

System Goals

The system goal for the Rural Connector is simply to enhance mobility of people in the community served by the system. No quantitative goals for ridership or revenues were set at the inception of the program, though management states that they expected it to do better than it has (even though this is the highest ridership system in the country). This goal fits with the system goal of providing a total transportation system for the residents of Jackson County.

Identification of Attributes Leading to Success or Failure

Marketing: One of the most noticeable aspects of the JTA implementation of the Rural Connector is the fact that it is marketed. JTA recognized that success or failure of the concept hinged on



- Greyhound Intercity Bus Routes - Schedule Number 250
- Points Served By Jackson Transportation Authority

Figure 3-3: INTERCITY BUS ROUTES THROUGH JACKSON COUNTY

local efforts to market the connection, and it took full responsibility for marketing the service (although they have used some Greyhound materials). The system, unlike most rural systems, was already large enough that a staff position for marketing was already in place. Marketing the Rural Connector became another part of that activity, and indeed the Rural Connection has been included in all the system marketing elements.

Clearly the availability of Michigan DOT funds for marketing is an advantage, but it should be noted that as of March 1, 1990, the system had used only \$14,565 of the \$24,000 authorized. However, with 858 persons carried as of that date, this represents a marketing expenditure of almost \$17.00 per trip. Given the low revenue from these trips, this may indicate that the marketing necessary to reach riders with this new concept is too great for the number of people likely to use the service.

Relationship with Greyhound and the Local Agent: Another significant factor is the relationship between JTA and the local agent. The system and the agent have contact by phone or in person at least once a week, often two or more times. The agent has been quite supportive of the Rural Connector, placing advertising cards in every ticket envelope, distributing posters, etc.

Greyhound relations have also been excellent. The system has used a number of the Greyhound marketing materials adding their own logo, and has had contact with Greyhound Lines perhaps once a week on average. The fact that JTA recognizes that it is responsible for promoting the service, placing the ads, etc. has probably helped in this regard, as they are not calling on Greyhound to ask for marketing money or for someone to come and print the posters and put them up. The availability of state funding for marketing is also a significant benefit in this regard. Overall, JTA feels that Greyhound's training, reporting, and support has been excellent.

Expanded Service Hours: Based on the survey results from all the rural connectors, one would think that expanded service hours are required to achieve any significant ridership. However, the Michigan demonstration allows a test of that hypothesis because data has been collected on ridership by time period. For JTA, 37.7 percent of the total cumulative ridership was carried on evenings or weekends: 15.9 percent after hours Monday through Friday, 12.7 percent on Saturdays, and 9.2 percent on Sundays. Applying the expenditure on expanded service hours to ridership during this period, \$78.85 per passenger was spent to collect the additional passengers who rode in this period. Given the high percentage of intercity passenger boardings during these periods it is surprising that only 37.7 percent of Rural Connector ridership occurred at these times.

Special Market Attributes: Another significant factor present in Jackson is that compared to many rural systems, JTA is basically an urban transit system in small to medium-sized city. JTA differs significantly in scale from the typical Rural Connector in virtually every measure, from the number of vehicles to the budget, to the population and density of the service area. In a very simple sense, the Rural Connector ridership in Jackson may be high because it is basically an urban area, with urban densities in the central city.

In addition, the presence of the state prison creates a natural market for transporting people from the intercity bus station to the prison and back. This allows trips to carry more than one person at a time, and creates the opportunity for making the connector service more feasible. Repeat business also occurs, as the visits are more frequent than typical intercity trips. JTA's estimate is that half their Rural Connector ridership is related to the prison.

Issues and Concerns

The major concerns for the program result from the low ridership, which makes the Rural Connection a low priority overall, and one that is likely to suffer if Federal, state, or local funding is cut. It is likely that JTA would continue the service after the state demonstration program ends, but it will not operate the extended service hours or be able to do as much marketing. It may even ask Greyhound to help fund some direct advertising expenses.

JTA's view of the program as a whole is that the onus of its success or failure is on the local operator. Greyhound or the state cannot push local operators to do things they are unwilling or unable to do -- sometimes even if funding is provided.

Finally, JTA is concerned that Greyhound may not be recognizing the contribution that its agents can make to this program -- JTA initiated action to have Greyhound recognize the local agent for his work, and it is likely that some form of recognition could be used to motivate agent participation elsewhere.

As for the future directions of the program locally, JTA would like to have the Greyhound agency located in their downtown transfer facility, and is interested in pickup and dropoff of bus package express. These changes would definitely add to JTA's role as the transportation resource in the Jackson County community.

Berrien Bus Rural Connector (BBRC)

Berrien Bus represents a contrast with JTA in a number of ways, and the differences also shed some light on the RCP. Berrien Bus is also involved in the Michigan Rural Connector Demonstration Project, and has access to the funding for marketing and expanded service hours. Berrien Bus serves the County areas outside Benton Harbor and St. Joseph, which is served by Twin Cities Area Transportation Authority (TCATA). TCATA is also a participant in the RCP, though Berrien Bus performs the marketing for both systems.

Berrien Bus is truly a rural system, as it is restricted on pickups in Benton Harbor and St. Joseph (though it can drop-off in those areas). It operates nine vehicles, plus a dial-a-ride service in Berrien Springs is also operated by the same firm. The system is managed and operated by a private for-profit firm, TMI, under contract to the County, which receives state and Federal funding to subsidize operations. Approximately 15 percent of the ridership is general public, with the bulk of the remainder carried under a contract to provide transportation to seniors. General public fare is \$1.00. The general service pattern is demand-responsive.

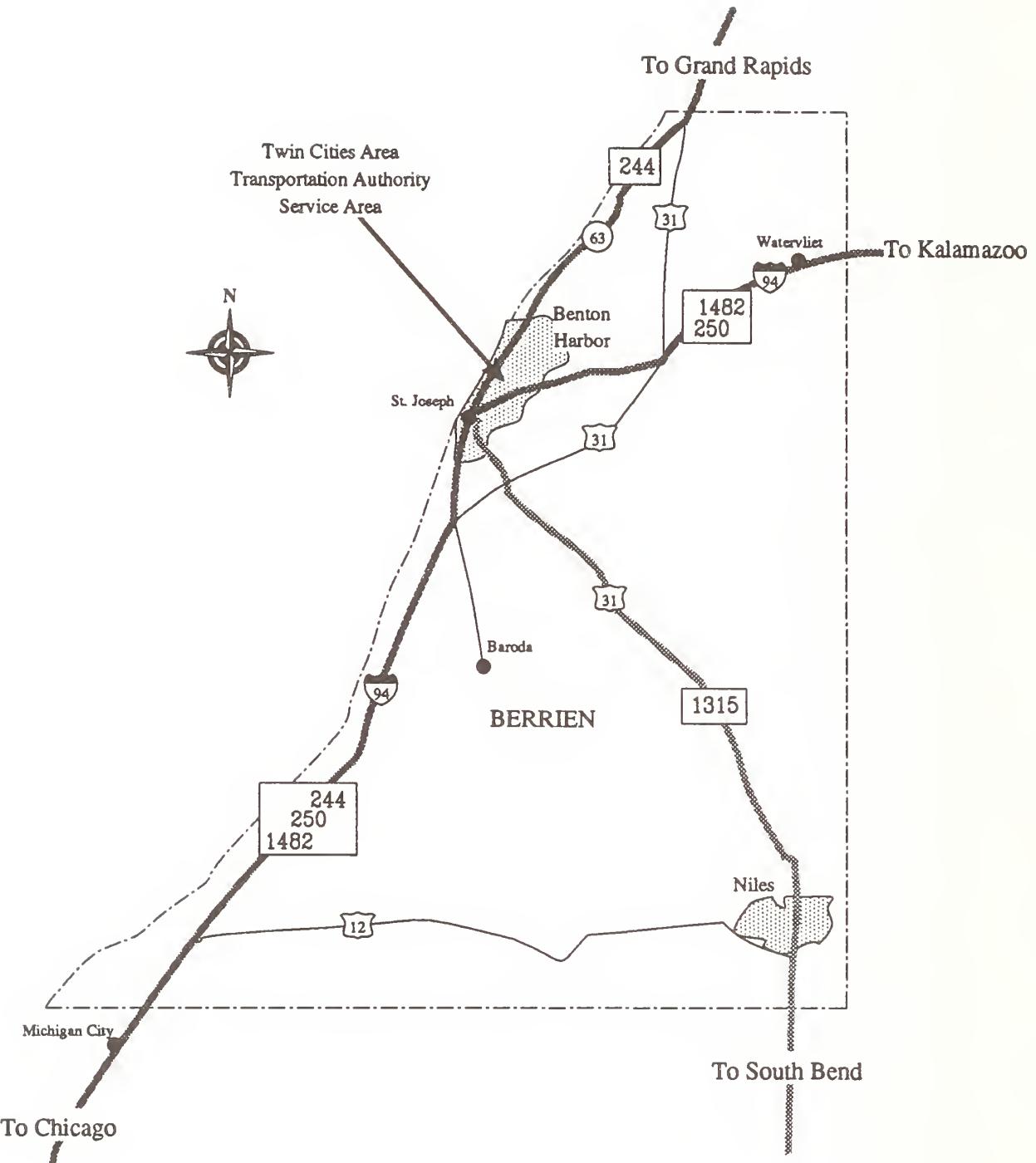
Berrien Bus and TCATA are fortunate in that Benton Harbor receives a lot of intercity bus service. Figure 3-4 presents the intercity routes in Berrien County. Benton Harbor is a junction point for Greyhound services from Grand Rapids to Chicago, Indian Trails services from Bay City and Flint to Chicago, and the Greyhound Detroit-Chicago services. Indiana Highways also provides service to South Bend. A total of ten schedules a day arrive in Benton Harbor from Chicago, with eight outbound to Chicago. Like other rural connectors in the Michigan demonstration, Berrien Bus offers extended service hours in order to connect with evening and weekend intercity schedules.

System Goals

Berrien Bus did not have a specific goal for their participation in the Rural Connection, though they were interested in additional ridership and revenue. They are also interested in carrying bus package express, and have asked Greyhound for a copy of the contract to see if they can meet the insurance requirements.

Identification of Attributes Leading to Success or Failure

Marketing: As of March 1, Berrien Bus had spent \$6,200 out of the \$24,000 authorized by MDOT for marketing both its system and TCATA. Marketing efforts have included newspaper ads, flyers,



- Greyhound and Indian Trails Bus Routes, Schedule Numbers - 244, 250, 1482
- Indiana Highways Bus Routes, Schedule Number - 1315

Figure 3-4: INTERCITY BUS ROUTES THROUGH BERRIEN COUNTY

and some radio/TV. Despite the disappointment in low ridership, to some extent it appears that the marketing efforts are restrained by limited capacity, most of which is obligated under contract to carry senior citizens for the County. It is not clear what impact marketing does or does not have on Rural Connector ridership in this case -- the available funding from MDOT was seen to be too little (especially as it must be shared with TCATA) given high costs for large newspaper ads. Also, more marketing assistance from Greyhound and MDOT was desired by Berrien Bus.

Expanded Service Hours: Berrien Bus did not see the expanded service hours funded by MDOT as playing a critical role in ridership, as indicated above about a third of ridership occurred during these hours. Perhaps more relevant than the numbers are the impacts on revenue of the MDOT funds for standby and afterhours transportation. With the MDOT funds, an afterhours trip is basically a breakeven operation if the \$21.00 per hour average operating cost of Berrien Bus is applied.

Relationship with Greyhound: According to Berrien Bus, the relationship with the local Greyhound agent in Benton Harbor is good. Contact is made once or twice per week, mostly to note schedule changes or make arrangements for a pickup. However, the agency displays no posters or signs concerning either Berrien Bus or TCATA, and the agent feels the operators are doing little to market the connection. Greyhound corporate visibility and response is much less than Berrien Bus would like to see.

Impact of Market Attributes: In this case the markets differ considerably from the Jackson model. There are no institutions that generate a lot of intercity bus ridership needing a local connection -- Andrew College is small, and generates only holiday traffic, while the military recruiter has moved. TCATA, with its larger ridership, reflects once again (as was the case in Jackson) that "Rural" Connectors with an urban service area will carry more riders. In the rural environment Berrien Bus serves, its ridership levels may be relatively good.

Issues and Concerns: There are two key themes that come from the site visit to Berrien Bus. One, that probably is critical to the overall assessment of the Rural Connection, is their assessment that the program simply does not pay. The level of demand in a rural area is low enough that virtually all rural connection trips must be operated on a demand-responsive basis. This fact combines with the relatively long trip distances to create rural connection trips that can take an hour or two to operate, with only one passenger on board. As the state does not provide the extra funding for trips handled during normal service hours, this means that the only revenue is the local fare and the Greyhound payment (if the trip is originating in the county). Such a trip could easily involve an hour of operation at \$21.00, with

fare revenue of \$1.00, and perhaps a dollar or two from Greyhound. In an environment where general public subsidies are scarce, and trip priorities go to seniors under a contract agreement, the incentives do not exist to go looking for more such riders.

The second theme also concerns the role of the local operator. Like some others in the program, expectations regarding Greyhound's participation are unfulfilled. Despite the fact that Berrien Bus management was sent the same communications as JTA regarding the program, a completely different understanding of the local role resulted. Unlike JTA (and like most small rural operations), there is no marketing person on the staff to actually do the work of getting cards and posters printed, placing ads, monitoring results, etc. These activities fall behind the urgency of getting the service on the street and meeting other priorities for funding.

ATTRIBUTES LEADING TO SUCCESS

Based on the survey results and the case studies, a number of factors contribute to the most successful of the rural connectors. Figure 3-5 presents an assessment of the degree to which several factors contribute to achievement of the various goals held by the agency operators.

In a ridership sense, the systems involved in the Michigan demonstration project are generally the most successful because they have had funding available for expanded service hours and marketing, along with technical assistance from the state. The overall impact of this assistance should not be underestimated, as the Michigan connectors have accounted for approximately 72 percent of the total program ridership to date. However, funding alone does not produce ridership, as can be seen by the range of results in Michigan. Similarly, operations in a number of other states without such supplemental funding are producing ridership, largely because of their commitment to meeting a broad range of transportation needs in their community.

As for the other goals, such as enhancing the image of the operator, increasing cooperation with intercity carriers, or providing more service to local residents, the impacts of various factors vary. Image improvements are largely a function of marketing, which in turn may require state support and carrier/agent cooperation. Cooperation with intercity carriers would be enhanced by higher levels of ridership, although use of carrier marketing materials could also meet this goal (even without ridership).

Based on the results of the survey of operators, and on the case studies, the following rural connection attributes are closely related to the success of the local programs:

ENVIRONMENTAL FACTORS	GOALS		
	INCREASE RIDERSHIP	ENHANCE IMAGE	COOPERATION WITH INTERCITY CARRIERS
INTERNAL			
TYPE OF OPERATOR (GENERAL PUBLIC/HUMAN SERVICE)	Moderate	Low	Moderate
LEVEL OF MARKETING	High	High	High
HOURS OF SERVICE	High	High	High
EXTERNAL			
MAJOR TRIP ATTRACTOR	Very High	High	High
COOPERATION OF TERMINAL AGENT	High	Moderate	High
REGULATORY REQUIREMENTS	Low	Low	Low
STATE SUPPORT	High	High	High
GREYHOUND MARKETING	Moderate	High	High

Figure 3-5: IMPACT OF SYSTEM INTERNAL/ EXTERNAL ENVIRONMENTAL FACTORS ON AGENCY RURAL CONNECTION PROGRAM GOALS

- **Goals**: A successful implementation is likely to occur only in cases where the primary motive of the local operator is providing mobility for the community. Revenues from the rural connection will not pay the costs of providing the service, and systems joining merely to improve their image are unlikely to generate any ridership.
- **General Public Service**: Systems that are agency contractors or human service agencies with no funding for general public transportation are not likely to be successful. In the absence of funding to carry persons who are not agency clients, there will not be funding to cover the costs of Rural Connection trips, as fares/ticket revenues are not likely to produce enough revenue to cover these costs.
- **Responsibility**: Successful implementation is possible only in cases where the local operator realizes that the program's success in their community is in their hands. Greyhound does not have the staff to come and market the service, communicate with the local agent, and provide ongoing "handholding". Neither does CTAA.
- **Marketing**: Marketing is a necessary, but not sufficient condition for successful implementation of a RCP. At a minimum, information about the Connection needs to be provided as part of all the regular informational activities of the system. This could include flyers, timetables, announcements, public service announcements, handout cards, radio announcements, etc. Systems that do not do any kind of marketing or public information activity are likely to be unable to successfully implement a Rural Connection, as the effort to market just the Rural Connection will be all out of proportion to the small incremental ridership it will generate. From the intercity carrier end, information about the available connections must continue to be part of the basic public information systems -- Russell's Guide, and the telephone information systems.
- **Sufficient Intercity Service**: A rural connector will obviously benefit from large numbers of intercity arrivals and departures, particularly if the majority of them are scheduled during normal service hours.
- **Service Hours**: All of the systems with higher levels of ridership have expanded service hours, largely as a result of the Michigan demonstration program. Only about a third of their ridership actually took place during evenings and weekends, but the availability of service during these hours appears to have made the program more attractive even during normal operator service hours. Michigan provided for expanded service hours in a low-cost manner, paying to keep someone on call after hours and only paying for trips actually run, yet even these costs are very high for the additional ridership that resulted. This suggests that provision of this additional service just for the Rural Connection is not cost-effective, but that expanded service hours for rural systems generally could have major impacts on Connection ridership.
- **Traffic Generators**: Systems with the largest ridership appear to be those with some particular generator of intercity traffic that is within the rural operator's service area, but remote from the intercity bus terminal. The traffic generator at Jackson is a good example, as the prison there draws visitors who come on the intercity bus, but still need a way to get from the Greyhound terminal to the prison and back again. Because of the concentration of visitors at certain hours and days, and the numbers, JTA can sometimes carry more than one person on each run, which makes the net cost per passenger much lower. JTA estimates that

half their traffic is prison-related, though it does not generate that much revenue because so much of it is inbound and the passengers have already purchased return tickets. Other examples of intercity traffic generators might include military bases, recruiting stations, colleges and universities, Veteran's Administration Hospitals, State institutions, etc.

These factors are closely related to higher levels of ridership, however, success should be measured not only in terms of total ridership, but whether or not the service was provided in a cost-effective manner. As the case studies suggest, large amounts of funding for marketing or expanded service hours to serve rural connections will result in higher ridership, but at a cost per passenger that is well beyond the amounts of subsidies provided to passengers making local trips. The truly cost-effective rural connector will be those that are able to consistently provide needed connections as part of their everyday service pattern, without incurring high costs to capture these few incremental additional trips. This probably means integrating information about the Rural Connection into all of the regular information sources provided by the local system (additional costs are little or none), and into all the information provided by the local agent or Greyhound's central information number (also with low incremental costs). In terms of local operations, this would require that services be expanded (in terms of routes, hours, or miles operated) only to the extent that multiple trips could be served on the additional services. The successful system will be one that can accommodate the limited demand, expanding mobility for those that need this linkage, without incurring disproportionate costs.

BARRIERS TO SUCCESSFUL IMPLEMENTATION

The barriers to successful implementation of this program are to a large extent the opposite of those attributes leading to success. They include:

- **Inappropriate Goals.** Systems that believe they will use the Rural Connection to greatly increase ridership, or obtain revenues with which to cross-subsidize other programs will clearly be disappointed, and will do little to further the program once they realize that the level of demand is low. Similarly, systems whose only goal is to utilize the Greyhound name to improve their image will also do little to produce ridership.
- **Limited General Public Services.** Systems with little or no general public ridership will not have a source of funding to subsidize Rural Connection riders, and may be restricted by agency contracts that do not allow for ridesharing or timesharing of vehicles.
- **Lack of Local Marketing Ability.** Similarly, rural operators that do not currently market their systems are unlikely to be able to successfully market the Rural Connection, even if funding is provided for this purpose.

- **Restricted Service Hours.** Most rural systems do not operate in the evenings and on weekends when much intercity bus ridership takes place. Although the Michigan demonstration suggests that additional service hours at these times may increase Rural Connection ridership by a third, it is unlikely that this would by itself justify the cost of the increased service.
- **Lack of Concentrated Demand.** In many rural areas the level of ridership for intercity trips is already quite low, and when that demand is diffused both temporally and spatially, the Rural Connection trips must be provided by demand-responsive services which are the most expensive to provide.
- **Lack of Funding.** Related to most of the above, but warranting a separate mention, is the lack of funding available for rural connection activities:

- for marketing
- for service hours
- for general public service
- for external support

In Michigan, the state supplied funding for marketing and expanded service hours, and also provided some of the technical assistance and external support needed to make the program function (identification of operators, preparation of marketing materials, program descriptions, etc.) Aside from that demonstration, future resources for these activities are limited to the ongoing programs for rural public transportation at the local, state, and Federal levels.

It is probably worth noting that regulatory barriers have not so far appeared to have affected the Rural Connection. Such barriers were not mentioned by survey respondents as a problem, with the possible exception of obtaining authority to carry bus package express (especially in Texas). In most states, rural public or private non-profit operators are not regulated as for-hire or common carriers, or are not regulated because of the small size of their vehicles. As a result, Rural Connection passenger ridership has not been affected by regulatory problems to any great degree.

PROGRAM COSTS AND BENEFITS

Program benefits to date include both those that can be quantified and those that cannot. Ridership and revenue can be identified, as can costs. However, benefits to Greyhound, CTAA, and the rural operators from the positive public relations generated by the program cannot be quantified. Benefits to riders not reflected by their fare revenues are also difficult to assess. Similarly, the benefits of the improvements in essential mobility for rural areas are difficult to measure, because the availability of the Rural Connection is an improvement for potential users, as well as those that have actually tried the service.

Benefits

- Ridership: Total ridership of surveyed operators as of 11/30/89 came to 2,744, and it has basically leveled off (in part because the program is not currently expanding to new operators.) Average ridership per month per surveyed operator ranges from 0 to 64. These figures are different from Greyhound data, which covers all reporting Rural Connectors, but includes only originating passengers. According to Greyhound information calendar 1989 ridership through 11/30/89 was 1,480 trips, with a carrier payment to the rural operators of \$2,569.
- Revenue: Total estimated revenue paid to the surveyed Rural Connectors is estimated to be \$3,194. Estimated Greyhound revenue on trips originating or ending on one of the surveyed Rural Connectors is projected to be \$96,040, based on a \$35 average price for an intercity ticket. Total Greyhound revenue on tickets sold to Rural Connection originating passengers (during the period 1/1/89 - 11/30/89) was \$48,688, or \$32.89 per ticket. It is not clear at this time how many of these passengers would have ridden Greyhound anyway -- first results from Michigan suggest that perhaps 20 percent would not have made an intercity trip at all, if not for the Rural Connection, and that half would have found another way to reach the intercity bus service.
- Public Relations:
 - **Greyhound:** Although not an original goal of the project, this benefit could be most significant for Greyhound, as the Rural Connection provides for the first expansion of intercity network connections in rural areas. By combining the Rural Connection initiative with a moratorium on service abandonments during the year following the Trailways purchase, Greyhound has been able to put forth a positive program to maintain rural mobility. This is a strong contrast to the negative publicity surrounding service abandonments in 1983-84, when Greyhound filed for large numbers of discontinuances, and in 1986-87, as Trailways sought statewide service reductions in the midwest.
 - **Local Operators:** Many of those surveyed felt that the positive image conferred on their system was one of the major benefits of being a Rural Connector. It allows the local system to define its role as that of a comprehensive transportation provider, the single source for mobility.
 - **CTAA:** A benefit to CTAA was the ability to link private sector providers of intercity services with the public and private non-profit rural transit operators represented by that organization. As an advocate for rural transportation, the benefits of the expanded rural mobility opportunities are a benefit, as is the increased support of Greyhound for expanded rural transit subsidy assistance and intermodal terminals.

- Mobility

- **Better information on existence of connections:** From the user standpoint, a major benefit is that mechanisms are now in place that make use of rural public transit to access intercity bus services into an eligible trip, and that the information is in place (for systems involved in the RC program) to allow a user to take advantage of this opportunity. In the past, many systems would have dropped riders at the intercity bus station, but the local system would not have promoted this fact, or made a commitment to provide the service. In addition, the user had no way of getting information about rural connections at the destination end.
- **Linkage of existing public transit:** This program represents a very basic attempt to provide more mobility for very limited resources by linking existing local and intercity services.

Costs

- Greyhound costs to date are approximately \$470,000, including staff, promotion, development of marketing materials, travel, etc.
- CTAA costs to the end of the demonstration project are approximately \$200,000, including staff time, development of marketing materials, promotion, travel, and evaluation. Funding for this project was provided by UMTA.
- Michigan DOT costs to date are approximately \$139,328 for marketing and expanded service grants to six local operators, plus some additional state costs for program administration, etc.
- Local Rural Connectors also have provided assistance for the portion of Rural Connection trips not covered by fares and Greyhound reimbursement. No estimate of these costs is available.

In examining the costs versus the ridership, it is important to recognize that many of these costs are "start-up" costs for the staff time, travel, and promotion needed to begin a nationwide project involving many actors. Total CTAA, Greyhound, and MDOT costs to date of \$809,326 may seem like a lot, but by comparison, the Netherlands Railways has recently started a feeder project for smaller cities with a two-year budget of \$5,000,000 for promotion and subsidized taxi rides in 39 towns outside the four largest cities (where it is assumed riders can access rail systems on public transit). Also, although the overall program appears to have costs of about \$300 per passenger per trip to date, the Michigan program by itself has costs of about \$71 per passenger trip, and that is for expanded service and a high level of marketing. For an on-going program, costs will be much lower, focusing on marketing and information. Recurring expenses of this program in the future need not be as high, as project visibility has already been raised by the many promotional efforts to date.

IDENTIFICATION OF UNRESOLVED ISSUES

This evaluation has raised a number of issues regarding the program and its future direction. Many of these are not fully evaluated, but must be addressed by future program directions, given the relatively low ridership to date, the end of the UMTA-funded CTAA demonstration, and impacts on rural services from changes at Greyhound. These questions include at least the following:

- Should the Rural Connection be continued in its current form?
- What is the real level of demand for connections to intercity service in rural areas?
- Who will do national tasks -- promote program, sign up participants, provide marketing materials, monitor performance, follow-up, and handholding, etc.?
- How should program participants be identified to attract operators who will be successful at developing Rural Connection ridership?
- What level of ridership should be expected for a program to remain in the rural connection?
- What is Greyhound's role?
- How can the program be modified to make it more attractive to the rural operator, while at the same time keeping costs low for all parties?
- How can the program do more to increase rural mobility?
- What should national and state policy be, given low ridership and high costs for added service?
- What should be expected of Rural Connection participants in terms of ridership, marketing, or other efforts or activities, etc.
- What should participants expect from such a program, in terms of ridership or other benefits?

All of these issues are addressed in the next chapter, which defines an action plan for the Rural Connection Program.

4

PLAN FOR THE RURAL CONNECTION PROGRAM

INTRODUCTION

Despite the amount of information on the Rural Connection Program (RCP) collected in this report and in other sources, it is too soon to determine whether or not the concept is an overall "success". Certainly it appears that many rural areas have been reconnected to the national intercity bus network, that the program generally functions in an operational sense (ticketing, information, reservations, etc.), and that both the intercity and rural carriers benefit from improved public relations. In addition, some rural systems have generated additional RCP ridership. Despite the low overall ridership to date, it is not clear what the eventual potential of the RCP may turn out to be. Low ridership may be the result of any number of problems identified in the review and site visits, or it may simply reflect the likely level of demand for rural public transportation access to intercity bus services. This question represents the major unresolved issue surrounding this program.

UNRESOLVED ISSUES -- POTENTIAL DEMAND

The ridership success of the feeder program is difficult to evaluate because of the lack of information about the likely demand. If the current feeders are meeting a reasonable proportion of the actual demand, then the program could be judged a success despite the low absolute numbers of RCP riders. In that case, program changes should focus on developing appropriate program goals and objectives, and developing ways to serve this demand in a cost-effective manner. If the potential demand is much higher than the observed ridership, then the success of the program is much more open to question. To date the costs needed to market the service, and expand service hours, appear to be out of proportion to the ridership generated. The major unresolved issue remains the question of the actual level of demand, and given that demand, what is the most cost-effective way to serve that demand.

The reason this issue remains unresolved is that no one really knows the true potential demand for public transportation connections to intercity services. There is some data available from various sources that suggest that the actual demand for connections to intercity services in rural areas is low at any particular agency, and that in many cases rural connectors are meeting this demand.

To begin considering this question at the national level, Greyhound market research information indicates that approximately a third of its ridership has one or more trip ends in a rural area, defining rural and urban areas as designated in the 1980 Census.¹ Of the total 2,843 agencies, some 38.3 percent or 1,088 are in rural areas, based on this definition. If one takes the 32.3 percent of trips (classified in May through October, 1989) times the 1989 Greyhound ridership of 21,971,933, one arrives at a total of 7,096,934 trips with at least one end in a Census-defined rural area. In urban areas the use of public transportation to reach intercity bus connections varies considerably with the level of local service, but existing surveys done by various state departments of transportation suggest that even in urban areas, this percentage is low. Ten studies cited in an earlier report showed that the private auto was used by 60.7 percent of intercity bus passengers as an access mode,² while a more recent study in Michigan found that between 9.2 and 11 percent of intercity bus riders (statewide) used local transit to access the bus.³ Unfortunately, no rural/urban breakdown is available. A survey in Wisconsin did find that in small communities and rural areas only three percent of intercity bus passengers reach the bus by taxi, and only two percent by local bus, however, 37 percent of all riders had to travel over ten miles to reach the nearest station.⁴ If one applies the two percent figure to all Greyhound trips with a rural trip end, it suggests that the total, eventual, nationwide market for rural connection trips might be 142,000, if every rural area had a Rural Connector and the service was provided around the clock. Given that rural operators do not operate Saturday and Sunday, and that about a third (27-34% depending on the week) of intercity bus

¹According to the 1980 Census definition, the urban population comprises all persons living in (a) places of 2,500 or more inhabitants incorporated as cities, villages, boroughs and towns, but excluding those persons living in rural portions of extended cities; (b) Census designated places of 2,500 or more inhabitants (previously termed unincorporated); and (c) other territory, incorporated or unincorporated, included in urbanized areas. An urbanized area consists of a central city or a central core, together with contiguous closely settled territory, that combined have a total population of at least 50,000.

²Motor Carrier Ratemaking Study Commission, A Report to the President and Congress of the United States, Part Two: Implementation of the Bus Regulatory Reform Act of 1982: The Impact on Older Americans and Effect on Intrastate Bus Services, Chapter VII, Exhibit 27, p.312.

³Michigan Department of Transportation, Michigan Intercity Bus Study, A Comparison of 1985 and 1977 User and Ticket Surveys, p. 38.

⁴Eric R. Hansen and Edward A. Beimbom, et. al., The Benefits of Intercity Bus Service, University of Wisconsin - Milwaukee, p. 37.

ridership occurs on those days, this total could further be reduced by a third, to perhaps 95,000. This would require 1,583 rural connectors, providing 60 trips per year.

The other way of looking at the potential is from the individual rural agency perspective. The Michigan research reveals that agencies in cities under 10,000 rarely produce more than one passenger trip per day, while cities of 10,000 to 50,000 can range from one boarding to as many as 36 per day, on average. For example, Jackson, Michigan, is the busiest station in Michigan in that population category, with 36 passengers per day during the study period. As seen in Table 4-1, Jackson produced an average of 1,183 ticket sales per month during calendar 1989, and the ridership for the Jackson rural connector averaged 62.4 trips per month (plus 5-6 per day on the fixed-route buses), resulting in an access mode split of 5.3 percent for the Rural Connector alone. This may be most of the potential demand for rural feeder service, which would suggest that this is a very successful project. For the other case study sites it appeared that the "market share" for the rural connection projects ranged from .2 to 13.2 percent, with monthly average RCP ridership between 3.4 and 11.1. This analysis suggests that rural operators who have 5-15 Rural Connection trips per month may also be achieving success, if they are serving points that typically do not generate large numbers of intercity trips.

The fact is that this type of analysis has not been done, and certainly has not been a factor in the assessment of potential Rural Connectors, or in the development of the program. It may well be that the RCP provides a real improvement in mobility, but that the level of demand in rural areas is very low. In that case, the program should be integrated into the regular operations of the intercity carrier, the local rural operator, and the local commission agent so that the incremental costs are as low as possible, and it becomes a regular feature of rural and intercity transportation. Even then, one may expect rural operators to minimize marketing, simply because the cost per Rural Connection trip will exceed the revenues it generates, even with a Greyhound interline payment and a local fare. The service being provided is comparable to that provided by airport limousine operators, who may well charge \$15-30 per trip for shared-ride van services of comparable length, yet the rural operator at best might receive \$5-10. Many rural operators would be willing to experience these deficits on the occasional trip, for the gain in image, and because it is part of their overall transportation goal. The key is to identify those operators willing to make such an exchange, who are located where they can provide enough trips to make it worthwhile to Greyhound to include them in the program.

Clearly more research is needed on the nature of the demand for this kind of service -- what are passenger volumes at agencies in rural areas, and what percentage of the ridership could or would use a public transportation alternative to reach intercity connections? Of the people attracted to the Rural Connection, how many are new riders, how many current riders diverted from some other access mode?

Table 4-1
TOTAL BOARDINGS AND RCP RIDERSHIP AT CASE STUDY SITES

	Round Rock, Texas (CARTS)	Charlottesville, Virginia (JAUNT)	Jackson, Michigan (JTA)	Benton Harbor, Michigan (Berrien Bus)
Average Monthly Agency Tickets Sold*	76	1,984	1,183	530
Number of Daily Intercity Buses	13	17	17	20
Number of Vehicles Operated by RCP Feeder	4	13	30	5
Average Monthly RCP Ridership	10	3.4	62.4	11.1
RCP Ridership as a Percentage of Total	13.2%	.17%	5.3%	2.1%

Source: Compiled by Ecosometrics, Inc. from data supplied by Greyhound Lines, Inc. and the case study RCP Operators.

These questions can only be answered in a tentative way at this time, but should be the focus of the Michigan demonstration, and perhaps additional research by states, UMTA, and the carriers.

GOALS AND OBJECTIVES FOR THE RURAL CONNECTION

As indicated in the second chapter, few of the participants had any specific goals for the Rural Connection when the program was initiated. The lack of a goals statement, even if nothing quantifiable was ever developed, has affected the program by allowing participants to conceive different ones at different times, and by permitting the growth of elevated or inappropriate expectations (regarding ridership, revenue, and Greyhound support). To some extent, this has created an air of disappointment as early expectations by some operators were not met. Of course, the lack of a defined set of goals has also had the benefit of allowing the program to evolve considerably, as early ideas were found to be infeasible (such as insurance through Greyhound, vehicle leasing, etc.).

Although a definite, measurable set of objectives is desirable, the lack of information about the actual size of the market makes it difficult to set ridership or revenue targets. What is more important at this stage is to define the program and where it appears most likely to succeed, and to direct its future development. Suggested goals for each of the participant groups are as follows:

Rural Operator:

1. Provide service to the intercity bus station as part of an overall mission of providing comprehensive transportation service to the community.
2. Make the connection visible by providing information about it in all the normal channels and marketing efforts -- press releases, timetables, flyers, telephone information, posters, vehicle identification, or ads. Other than design and marketing manual, printing and placement is to be the responsibility of the local system. After the initial kickoff, marketing expenditures on the RCP should be related to the level of local ridership.
3. Aim to generate enough ridership. At a minimum, offset direct Greyhound costs (Greyhound may require a minimum performance level) for listing of services -- this may be 5-10 Rural Connection passengers per month.
4. Provide the service on existing services by making the Greyhound Terminal(s) into a listed (on timetables, etc.) destination, eligible for service.
5. Add service only when a special traffic generator can be served that would allow grouping of Rural Connection trips, for example, five riders from the station to a VA Hospital, etc.

6. Use the RCP as an opportunity to link services or develop new roles -- with intercity carriers, Amtrak, as a commission agent, operating rural replacements services, or as a BPX delivery service, etc.
7. Use the RCP to make the Commission agent a partner -- if the RCP brings in riders the agent gains, and the agent is likely to be the main source of user information.

Greyhound:

1. Develop rural transit operators as a low-cost system of feeders.
2. Develop enough ridership at each RCP to offset direct program costs, at a minimum.
3. Promote the RCP nationally as a means of maintaining rural connections with the intercity trunk system.
4. Seek rural transit operators as rural commission agents, as a way of increasing their revenue stake in the RCP, developing intermodal connections, and increasing community awareness of both services.
5. Seek rural transit operators for RCP in locations where other conventional intercity services are not feasible, so that the intercity bus network does not lose those riders completely. RCP roles may include direct replacement services, connecting existing service to nearest Greyhound service point, developing alternative partial replacement services, etc.
6. Research the market for intercity-linked services in rural areas.
7. Work with CTAA, rural operators, state transit groups, etc. to expand funding for both rural transportation generally, and for rural intercity services.
8. Forge public private link, encourage innovative/comprehensive thinking on the part of transportation operators

CTAA:

1. Provide information to rural operators through RTAP, publications, and at EXPO concerning the Rural Connection.
2. Continue to aid in identifying possible participants among the rural operators, though certainly on a much more informal basis -- in response to inquiries from operators, or through identification of areas with potential mobility problems resulting from intercity abandonment that may become known to CTAA through meetings or political sources.

IDENTIFICATION OF POTENTIAL FUTURE CHANGES

Although it was anticipated that there would be a number of program-related issues, especially regarding activities, funding, and responsibilities, it appears fairly clear that the major role played by CTAA in the identification of rural providers will be ending with the end of the UMTA demonstration grant, and that Greyhound will not be able to provide the levels of support and assistance that many of the current operators would like to see. However, even if CTAA and Greyhound were in a position to provide a lot of technical assistance and support for marketing, it is not clear that this would be a cost-effective kind of activity. Nevertheless, there are a number of actions that are appropriate and are recommended. These include:

- o **Program Continuation and Development:** The Rural Connection program should be continued, but with modifications to focus the efforts of all parties on locations likely to produce enough ridership to offset the direct costs of the program. In addition, its scope should be broadened beyond simple feeder service, to emphasize rural operators becoming agents, providing replacement services where private intercity services are no longer feasible, offering package delivery, etc.
- o **Market Research:** Expectations for Rural Connection ridership and revenue should be based on better information about rural intercity passenger demand, access modes, information sources, and travel alternatives. Intercity trips are generally infrequent, and in rural areas with low population densities, the overall demand is likely to be low, with dispersed origins, and high usage of private autos to reach bus stops. But little is actually known that could be used to quantify expectations for rural ridership.
- o **Identification of Rural Connection Operators:** This study suggests that some rural operators are more likely to be successful in generating Rural Connection riders. Such systems:
 - will have a basic goal of providing Rural Connection service as part of their broader goals of providing comprehensive transportation services to their community,
 - will offer general public service,
 - will be willing to take responsibility for local promotion of the service,
 - will have the ability to include marketing of the system in their general program of public information,
 - will also likely have particular generators of intercity traffic, such as regional hospitals, prisons, colleges and universities, military bases, etc. within their service area, and
 - will connect to intercity service points that have service during the Rural Connector's normal service hours.

Application forms will need to be redesigned to allow potential applicants to evaluate their likelihood of success, facilitating self-identification.

- o **Focus on Rural Connectors as Commission Agents:** Rural operator interest and participation will result from higher revenues and a more direct connection to the intercity system. Given the difficulty of finding and maintaining agencies in rural areas, increased emphasis should be placed on developing rural public transportation systems as bus commission agencies. Rural operator facilities could then be promoted and developed as intermodal facilities.
- o **Focus on Rural Connectors in Areas Losing Service:** Although a number of funding, administrative and regulatory barriers may limit the direct replacement of unprofitable intercity services in rural areas, there may well be cases in which rural operators could operate portions of a route, or provide scheduled connections to remaining services at other locations. Carrier abandonment procedures should be revised to include early identification of rural operators in the affected service areas, and consultation directly with them and with state departments of transportation to try and maintain the availability of intercity services during a transition. The most likely replacement carriers for intercity services are other private, regional intercity carriers with lower operating costs, and every effort should be made to locate and involve such firms as well.
- o **Develop Criteria for Continued Program Participation:** Rural Connectors providing less than five trips per month on average, over a six month period, should be eliminated from the program. This represents a very minimal level of revenue, just sufficient to cover the direct costs of national listings of service.
- o **Marketing:** Promoting the service locally will have to be clearly identified as a local responsibility. Supplementary public funding for this purpose should be sought, but at this time the intercity carrier role should continue to be the development of materials for local use, including: press releases, posters, brochures, cards, radio ads, etc. In addition, standardized fare promotions should be offered on a regular basis, and communicated to rural operators.
- o **Funding for Russell's Guide Listings:** Currently Greyhound pays the direct costs of the monthly listings of RCP participants in Russell's Guide, the national intercity bus timetable. In order to be sure of continuing this basic linkage of the intercity system and the rural operators, it is recommended that Federal funding (perhaps a set-aside of a certain portion of RTAP) be used to fund these direct costs. At the same time, the Russell's Guide listings could be redesigned to reduce the costs, as virtually all of the operators listed provide advance reservation demand-responsive service, requiring only a brief description of the service area and the phone number. Shaded maps, or text descriptions of service areas could be used instead of the current format, which is designed to show scheduled stops on fixed-routes. Possibly the listings could be placed on the same page as the timetable showing the intercity service to the connecting point.

- o **Funding for Toll-Free Reservations:** The cost and difficulty of making reservations for connections at the destination end of a trip may be a deterrent to additional ridership, as the long-distance call may well cost as much or more than the RCP trip. A toll-free reservation system for making these reservations would reduce the cost and improve service, and could be developed as an incremental improvement on the Greyhound telephone information system (possibly linked to the reservation/information system for handicapped passengers). However, before trying such a program on a national basis, a statewide or regional demonstration is suggested, as proposed by the Michigan DOT.
- o **Need for Increased Rural Public Transportation Funding:** The Rural Connection program demonstrates that it is difficult to expand ridership linking existing services when the level of service is so limited. Many rural operators cannot even afford to serve the general public, but are basically transporting only human service agency clients. Reauthorization legislation for federal transportation programs must address the goals of and needs for rural public transportation along with the level of funding. Rural operators need to have sufficient resources and the program flexibility to serve both agency clients and the general public if they are to begin to meet rural mobility needs. In addition, maintaining a rural intercity network is likely to require some operating assistance for intercity carriers, as demonstrated in a number of states.

At this time, the program should go forward with a revised, more realistic set of expectations and goals. The resources available for this program are limited -- at the local level, from state or Federal sources, and on the part of the carriers. Efforts must be made to identify those places that can and will produce ridership, but without requiring large expenditures for expanded services or marketing. While it may appear that carrier support has not been adequate, or that rural operator promotion and activity has been lacking, the low level of ridership and revenue would make it difficult for either group to justify greatly enlarging their efforts. Increased revenue for local operators could result if they became agents, which would in turn facilitate local marketing, and that is suggested as a major focal area for the program, particularly as it becomes harder to attract and maintain good rural agents.

APPENDIX A

SURVEY FORM

THE RURAL CONNECTION PROGRAM: A SURVEY OF PARTICIPANTS

Name of System: _____

Address: _____

Contact Person: _____

Phone: _____

General Service Characteristics

1. General Service Area- please indicate the size of your service area both in square miles and population

Size, square miles _____ Size, population _____

2. Types of Services Provided- please indicate by percentage the types of services provided by your agency. Total should sum to 100%.

Demand response _____ Fixed route _____
Subscription _____ Other _____

If other, please explain _____

3. Ridership by Service Type- please indicate the annual numbers of vehicle miles and passenger trips for the above mentioned service types.

(PASSENGER TRIPS: The total number of one-way passenger trips. Each time a person boards then alights from a vehicle is counted as one trip. Be sure that return trips are counted as a separate trip.)

	Annual # of Vehicle Miles	Annual # of Passenger Trips
Demand response		
Fixed route		
Subscription		
Other		

4. Total System Service-

Total annual vehicle miles: _____

Total annual one-way passenger trips: _____

Do you provide any other type of service in addition to passenger service?

YES _____ NO _____

If YES, please explain _____

5. Ridership Types- Please indicate by percentage the type of passengers agency carries

Social service agency passengers _____ %
General public passengers _____ %

6. Fleet Characteristics- Please fill in the table below to describe your vehicle fleet.

Types of Vehicles	# of Each Type	Average Age	# Lift Equipped
30-40 ft. Transit Coaches			
30-40 ft. School Buses			
15-30 ft. Small Buses			
Vans			
Automobiles			
Other _____			
Total Operational Vehicles			

7. Hours and Days of Service:

Sunday: _____ to _____

Monday: _____ to _____

Tuesday: _____ to _____

Wednesday: _____ to _____

Thursday: _____ to _____

Friday: _____ to _____

Saturday: _____ to _____

System Administration

8. Budget Information

Total systemwide annual operating budget:

\$ _____

9. Funding Sources

Title III Aging \$ _____

Section XIX Medicaid \$ _____

Section 18 UMTA \$ _____

Section 16(b)(2) UMTA \$ _____

State \$ _____

Passenger Fares \$ _____

Local, please specify

\$ _____

\$ _____

Other, please specify

\$ _____

\$ _____

10. Insurance Coverage

Amount of coverage per person
\$ _____

Amount of coverage per accident
\$ _____

Total amount of coverage
\$ _____

Amount of excess liability
\$ _____

Does your insurance provide liability coverage for packages or freight?

YES _____ NO _____

11. Does your agency hold any of the following regulatory permits?

Interstate Commerce Commission-

Passengers YES _____ NO _____
Package Express YES _____ NO _____

State Public Utility Commission-

Passengers YES _____ NO _____
Package Express YES _____ NO _____

12. Package Delivery- Are you interested in carrying packages or freight?

YES _____ NO _____ ALREADY CARRY _____

Rural Connection Program

13. When did you become an official carrier as part of the Rural Connection Program?

MONTH _____ YEAR _____

14. Ridership and revenue- Please fill out the table presented on the following page to indicate the levels of ridership and revenue for the Rural Connection program. Include all trips, whether you requested payment or not.

RURAL CONNECTION PROGRAM: RIDERSHIP AND REVENUE

	Passenger		Packages	
	Outbound- All passengers taken to Greyhound	Inbound- All passengers picked up from Greyhound	Revenue Collected from Rural Connection	Revenue Collected from Rural Connection
December 1987				
January 1988				
February 1988				
March 1988				
April 1988				
May 1988				
June 1988				
July 1988				
August 1988				
September 1988				
October 1988				
November 1988				
December 1988				
January 1989				
February 1989				
March 1989				
April 1989				
May 1989				
June 1989				
July 1989				
August 1989				
September 1989				
October 1989				
November 1989				

15. Role in Rural Connection Program- Please indicate how your agency is related to the Rural Connection Program.

Feeder system _____

Agent _____

Joint Terminal _____

Package Delivery _____

Off-line Agent _____

16. Facilities- What facilities do you use in conjunction with the Rural Connection Program? Please check all that apply.

_____ Your own offices

Administration only _____

Passenger waiting area _____

Ticket sales _____

Package express _____

_____ Shelters or other other stopping places

_____ Greyhound or Trailways commission agency (may be located in some other business such as a restaurant, gas station, hotel, etc.)

_____ Greyhound or Trailways Terminal (primary business of facility is bus travel)

Other, please specify _____

17. What are your system's goals in participating in the Rural Connection Program?

18. Describe the level and type of support (technical assistance, press releases, ad slicks, schedule development, funds for marketing, etc.) provided by the following agencies:

Greyhound Corporation Rural Connection Program _____

Other Greyhound Departments _____

Community Transportation Association of America (formerly Rural America) _____

State Department of Transportation _____

Urban Mass Transportation Administration (UMTA) _____

19. Is this support adequate? YES _____ NO _____

20. If no, what is needed from the following organizations:

Greyhound Corporation Rural Connection Program _____

Community Transportation Association of America _____

State Department of Transportation _____

Urban Mass Transportation Administration (UMTA) _____

21. Are the terminal agents properly trained and knowledgeable about the feeder program?

YES _____ NO _____ Comments _____

22. What marketing efforts have been made to promote the program in your service area and by whom?

23. At this point in time are you satisfied with your system's participation in the Rural Connection Program?

YES _____ NO _____ Please Explain _____

24. What suggestions do you have for improving the Rural Connection Program?

WE GREATLY APPRECIATE YOUR ASSISTANCE. THE INFORMATION YOU PROVIDE WILL HELP TO EVALUATE AND IMPROVE THE RURAL CONNECTION PROGRAM.

PLEASE RETURN THE SURVEY TO ECOSOMETRICS IN THE ENCLOSED ENVELOPE OR MAIL TO:

ECOSOMETRICS, INC.
4715 CORDELL AVE.
BETHESDA, MARYLAND 20814

IF YOU HAVE QUESTIONS ABOUT THE SURVEY PLEASE CONTACT FRED FRAVEL OR KENNY HOSEN AT ECOSOMETRICS (301)652-2414.

APPENDIX B

NON-RESPONDING SYSTEMS AND ACTION TAKEN

The list of non-relying systems contained in the original study has been omitted from this printing for space reasons.

APPENDIX C

CASE STUDIES

APPENDIX C

CASE STUDIES

Capital Area Rural Transportation System (CARTS)

On January 11 and 12, 1990, a field visit was made to the rural transit operator, CARTS, in Texas for the purpose of reviewing the performance of CARTS in regard to the RCP. This field visit included meetings with:

- One Greyhound and one Kerrville bus company representatives
- A State Department of Highways and Public Transportation (SDHPT) representative
- CARTS Executive Director and Assistant Director
- A Greyhound Terminal Agent (Round Rock)
- Three rural operators (CARTS subcontractors in Round Rock, Smithville, Lockhart, and San Marcos)

CARTS is a Section 18 Rural Transit operator in nine counties of Central Texas. CARTS functions both as a broker of services and as a direct operator of services. CARTS contracts with seven agencies to provide service in the nine counties. CARTS provides contracted service to a number of human service programs including Title III of the Older Americans Act and Title XIX of the Social Security Act. Thirty-four percent of its service is directed to the general public in the form of commuter service, suburban and rural fixed route. Demand-responsive service is also available to the general public according to a schedule that is published in each county (Exhibit 1).

Greyhound and the Kerrville Bus Company run a number of schedules through the CARTS Service Area (Figure C-1). All routes except two go through Austin which is in the center of the CARTS service area. Table C-1 displays the towns listed as being served by the RCP. In the fall of 1987 Greyhound entered into a discussion with CARTS regarding the RCP. Kerrville Bus Company, who has had a good working relationship with CARTS since the early 1980's, supported the program and in April 1988, the three organizations implemented the RCP in Texas. The initial "kick off" included numerous television spots, news features, newspaper ads, and flyers. Greyhound and Kerrville provided \$3,000 for marketing which was matched by SDHPT.

EXHIBIT 1: SAMPLE COUNTY SCHEDULE



PUBLIC TRANSPORTATION IN:

LEE COUNTY

SERVED BY CALL



COMMUNITY TRANSIT
1-800-284-7433 TOLL FREE

**TOLL
FREE**

COMMUNITY SERVED	DESTINATION	ROUTE DAY	DEPARTURE TIME	ONE-WAY FARE	SENIORS & CHILDREN
GIDDINGS Local Service 8:00 am-4:00 pm Monday thru Friday \$0.25 Per Trip Meets Inter-City Bus	TO: ELGIN TO: AUSTIN TO: BRENHAM TO: COLUMBUS TO: LA GRANGE TO: PAIGE	1st/3rd TUES EA. MO. 1st/3rd TUES EA. MO. 1st/3rd WED EA. MO. 2nd/4th WED EA. MO. THURSDAYS TUESDAYS	8:00 am 8:30 am 8:00 am 8:00 am 1:30 am 8:30 am	\$2.00 \$3.00 \$2.00 \$3.00 \$2.00 \$1.00	\$1.00 \$1.50 \$1.00 \$1.50 \$1.00 \$0.50
LEXINGTON Local Service 8:00 am-4:00 pm Fridays \$0.25 Per Trip Meets Inter-City Bus	TO: ROCKDALE TO: ELGIN TO: AUSTIN TO: BRENHAM TO: COLUMBUS TO: GIDDINGS TO: TEMPLE TO: LEXINGTON	MONDAYS 1st/3rd TUES EA. MO. 1st/3rd TUES EA. MO. 1st/3rd WED EA. MO. 2nd/4th WED EA. MO. THURSDAYS 3rd THURS EA. MO. FRIDAYS	8:00 am 8:00 am 8:00 am 8:00 am 8:00 am 8:00 am 8:00 am 8:00 am	\$1.00 \$3.00 \$4.00 \$3.00 \$4.00 \$1.00 \$4.00 \$0.50	\$0.50 \$1.50 \$2.00 \$1.50 \$2.00 \$0.50 \$2.00 \$0.25
DOAK SPRINGS Local Service 10:00 am-2:00 pm Monday thru Friday \$0.25 Per Trip Meets Inter-City Bus	TO: ROCKDALE TO: DIME BOX TO: ELGIN TO: AUSTIN TO: LEXINGTON TO: BRENHAM TO: COLUMBUS TO: GIDDINGS TO: TEMPLE TO: LEXINGTON	MONDAYS TUESDAYS 1st/3rd TUES EA. MO. 1st/3rd TUES EA. MO. WEDNESDAYS 1st/3rd WED EA. MO. 2nd/4th WED EA. MO. THURSDAYS 3rd THURS EA. MO. MONDAY thru FRIDAY	8:00 am 10:00 am 8:00 am 8:00 am 10:00 am 8:00 am 8:00 am 8:00 am 8:00 am 8:30 am	\$2.00 \$1.00 \$3.00 \$4.00 \$1.00 \$3.00 \$4.00 \$1.00 \$4.00 \$1.00	\$1.00 \$0.50 \$1.50 \$2.00 \$0.50 \$1.50 \$2.00 \$0.50 \$2.00 \$0.50



RECORDED IN PAPER FORM AND STORED IN A FIRE-PROOF, WATER-TIGHT, AND TECRO
ARMOR PLATE CABINET. THE CABINET IS LOCATED IN AN UNHEATED, DRY, AND
SECURE ROOM. THE CABINET IS PROVIDED WITH AN ALARM SYSTEM WHICH ACTIVATES
WHEN THE CABINET IS OPENED. THE CABINET IS PROVIDED WITH A KEY WHICH
ALLOWS ACCESS ONLY TO AUTHORIZED PERSONNEL.

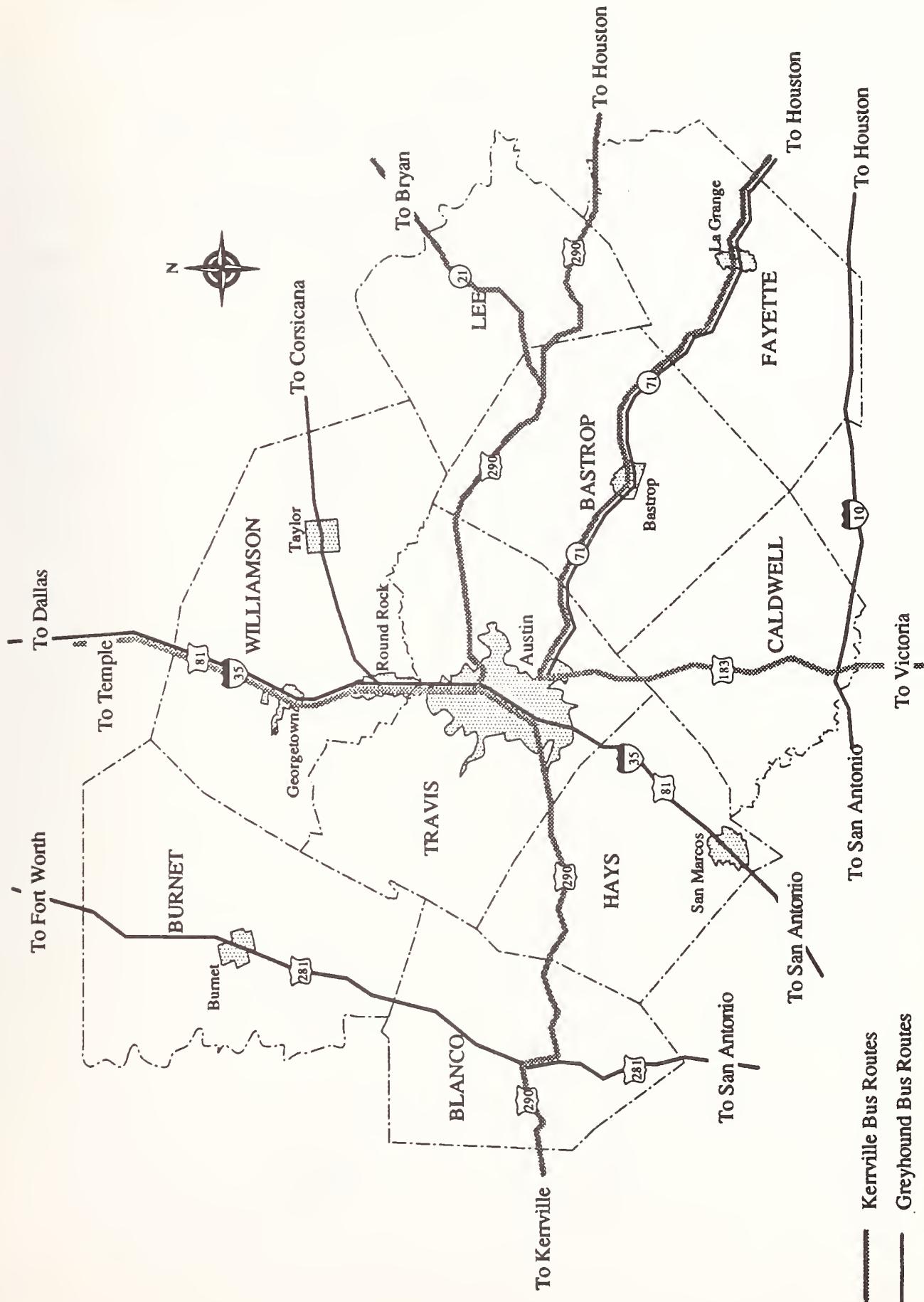


Figure C-1: INTERCITY BUS ROUTES IN THE CARTS SERVICE AREA

Table C-1

LISTING OF SUBCONTRACTORS AND THE TOWNS THEY SERVE

Community Transit Services: Some service on call and some service is scheduled.

Bastrop	Giddings	Rockne
Brenham	Hills Praire	Rosamby
Burton	Hostyn	Round Top
Carmine	La Grange	Ruttersville
Cedar Creek	Lexington	Saint John
Center Union	Lincoln	Schulenburg
Dime Box	Manheim	Serbin
Elgin	Northrup	Smithville
Engle	Oldenburg	Swiss Alp
Fayetteville	Plum	Warrenton
Flatonia	Rabbs Pairie	Winchester
Frevburg	Red Rock	

Luling Senior Citizens: All service on call

Luling
Prairie Lea
Stairtown

Hill County Senior Citizens: All service on call

Driftwood	Henley
Dripping Springs	Wimberly
Fitzhugh	

WBCO Transportation: All service on call

Anderson Mill	Cedar Park	Leander
Andice	Florence	Liberty Hill
Bartlett	Georgetown	Round Rock
Bertram	Granger	Taylor
Burnet	Granite Shoals	

Travis County Department of Human Services: All service on call

Creedmore	Littig	Pflugerville
Del Valle	Manor	Oak Hill
Elvoy	New Katy	Webberville
Garfield	New Sweden	

Table C-1 (continued)

Lockshort Community Education Transportation: On call

Dale Lytton Springs
Lockshort St. John

Community Action Transportation: On call

Blanco	Kyle	Reedville
Buda	Lockhart	Rocky Creek
Cypress Mill	Martindale	Round Mountain
Fentress	Maxwell	Sandy
Johnson City	Prairie Lea	San Marcos

Ridership

Ridership is very low by any standard (Table C-2). One of the reasons CARTS was selected for a field visit was the success of CARTS as a public transit system. Because of this success, CARTS was expected to be able to generate modest ridership in the RCP. It was interesting to note that no one interviewed would state what they expected ridership to be. The following discussion will review some of the reasons for this low ridership according to the key participants. However, there is more to the program than ridership, and these expectations (goals and objectives) will be reviewed as well.

Goals of the Program

While there were no formal goals and objectives, all of the key participants articulated the same theme throughout the discussion. All participants agreed that the following are goals of the RCP:

- Increase of Ridership. There is no question that each participant felt that an increase in intercity and rural transit usage is the number one goal of the program. In addition, the rural operators were anticipating the potential of increasing their ridership base by generating new riders through the RCP, who may use the system for other purposes as well.
- Cooperation with Intercity Operators. All participants recognize the need to work together in rural areas where intercity ridership and service is diminishing. Greyhound, Kerrville, and CARTS all see the solution as multimodal. Mr. Gentry from Kerrville would like to see CARTS take over his terminal agencies and operate them as multimodal facilities.

In addition, CARTS has two additional goals for the program, they are:

- Building CARTS image as a public transit operator. CARTS like many other Section 18 operators in Texas evolved from social service agencies. Over the years, these Section 18 public operators have at times been unable to shed the image of a social service agency. Being affiliated with intercity bus operators has assisted these systems in shedding this image. This is particularly true in Round Rock where CARTS acts as the terminal agent for Greyhound and has physically moved their offices to the Greyhound terminal away from the social service agency that previously housed the system.
- Availability of Additional Service. CARTS is a service organization. Mr. Marsh sees the RCP as an additional service offered to his customers. His goal is to expand CART's role in public transportation and RCP is one way to expand services.

Table C-2
RURAL CONNECTION PROGRAM: RIDERSHIP AND REVENUE

	Passengers			Packages
	Outbound- All passengers taken to Greyhound Greyh/Kerrv.	Inbound- All passengers picked up from Greyhound Greyh/Kerrv.	Revenue Collected from Rural Connection	Revenue Collected from Rural Connection
December 1987				
January 1988				
February 1988				
March 1988				
April 1988	8/9		24.00/13.50	
May 1988	13/7		25.00/5.50	
June 1988	1/1		1.50/1.00	
July 1988	1/4		1.50/3.00	
August 1988	2/3		2.00/2.50	
September 1988	2/1	1/0	3.00/1.50	
October 1988	5/4	6/0	5.50/16.50	
November 1988	6/1	14/0	15.50/1.50	
December 1988	10/6	2/1	13.00/3.00	
January 1989	6/3	0/2	9.50/7.50	
February 1989	2/1	0/0	3.50/.50	
March 1989	2/2	0/0	3.00/2.50	
April 1989	0/3	0/0	0/2.00	
May 1989	4/2	0/0	3.50/1.00	
June 1989	1/0	2/0	1.50/0	
July 1989	0/1	0/0	0/1.50	
August 1989	0/0	0/0	0/0	
September 1989	0/4	4/0	0/3.00	
October 1989	1/0	0/0	.50/0	
November 1989	0/2	0/0	0/3.00	

Identification of Issues

This section will review the issues/problems facing CARTS in operating a successful RCP. The issues were broken down into five functional areas. They include 1) operational issues affecting both CARTS, its subcontractors, and the intercity terminal agents, 2) administrative/linkages, describing CARTS relationship with other key participants, 3) marketing, as a separate area due to its importance to the program, 4) financial, and 5) regulatory.

Operations

It was agreed upon by all persons interviewed that the biggest operational issue facing the RCP is the limited hours of service offered by the Section 18 operators. CARTS does not operate after 6:00 p.m. or on weekends/holidays. Intercity peak times are Friday afternoon and evening and Sunday afternoon and evening. A considerable portion of Greyhound and Kerrville ridership in the CARTS area uses the service during the above hours when CARTS does not operate. Another major issue is the problem of passengers wanting CARTS for a trip from the bus terminal to a rural point. Access to the service requires the ticket agent at the point of origin to inform the passenger that they must make a phone call for the Rural Connection. Only two of the CARTS subcontractors have toll free telephones. For service through the other subcontractors, the passengers must incur long distance charges. Community Transit, the largest subcontractor, does, however, offer scheduled meets with the bus on a limited basis. In addition, these trips outbound from the terminal to the rural area are not counted as Rural Connection trips (making ridership appear lower than it is). The operators do not receive credit or a percentage of the ticket price for these trips.

In terms of facilities, Mr. Gentry from Kerrville feels that quality facilities and vehicles are essential to the RCP. He stated that customers want comfortable vehicles. SDHPT, according to Margo Massey, is making a major investment in rural transit facilities. Many of these facilities will be for inter-modal activities.

There was some criticism that the intercity terminal agents show no interest in the program and have done nothing to promote it. Mr. Gentry and Mr. McCoy, a Greyhound sales agent, both disagreed, stating that the terminal agents are eager to work with the rural operators. They pointed out that every ticket sold in the RCP means additional commission for the agent.

Package express is not being considered at this time. Package delivery is closely regulated by the Texas Railroad Commission (TRRC). Mr. Marsh felt that the regulatory requirements would far outweigh the benefits gained by providing this service, as will be discussed in the regulatory section.

Administration/Linkages

This section will discuss CARTS administration of the program and its linkages on the local, state, national, and corporate levels. Because there are a number of participants at several levels, the linkages or lines of communication are essential to an efficient program.

In discussions with CARTS Director and Assistant Director, a minimal amount of time is spent administering the RCP. They indicate that approximately 1-2 hours per month are spent on the program. Subcontract staff also indicate that little time is spent on the RCP. One subcontractor bluntly stated that "she wore many different hats and simply had no time for a program that generates almost no ridership." Most of the time currently spent on the program is devoted to marketing efforts.

In terms of linkages, at the local level there is very little contact/communication between terminal agents and the subcontractors. Ms. Massey of SDHPT correctly pointed out that the relationships between the local operators and terminal agents is critical to the success of the program. Mr. Marsh felt that the local rural manager should meet quarterly with each terminal agent and sales manager to ensure good communication. CARTS Central is the only part of CARTS to have a working relationship with a terminal agent (with the exception of CARTS terminal facility). In fact, CARTS Central has a good working relationship with all key participants.

Currently the SDHPT has taken a very supportive position on the program. The state is working closely with Greyhound to seek a regulatory exemption from the TRRC. SDHPT is also working closely with the rural operators to develop an effective marketing strategy through Oil Overcharge Funds, and is funding new facilities.

CTAA has also been working closely with CARTS in its facilities development. The administrative linkages with the exception of the local level appear to be securely in place with each key participant working toward the same goal.

Marketing

Marketing was identified by the key participants as a critical component of the RCP. Marketing also created the most burden to the rural operators in terms of time and money. Greyhound has developed a marketing manual and materials for flyers and posters. Examples of these materials are found in Exhibit 2 through 5. The rural operators are charged with putting the flyers, posters, and ads together and distributing them. The rural operators must also post these promotions at the Greyhound Terminal. All the subcontractors feel that too much of their time is taken up by these activities. Consequently, in visiting a terminal agent, and three rural operators, no signs of the latest half fare promotion were present.

EXHIBIT 2: POSTER TO BE DISPLAYED IN RURAL AREAS

(Actual Size 11" x 17")

You can use

**The Rural
CONNECTION**

to access this bus terminal

Call the local CARTS dispatcher for a ride into or out of this terminal*

A service brought to you by



Greyhound Lines, Inc.



Local CARTS Operator

Call

Greyhound Lines, Inc. and the Kerrville Bus Companies assume no responsibility for transportation over the rural providers' routes and vice-versa.

*Contact dispatcher for available service hours and schedules. Generally service should be prearranged.

EXHIBIT 3: GREYHOUND STICKER TO PLACE ON RURAL CONNECTOR VAN
(Actual Size 7" x 21")

Let Us Take You To The



BUS



ASK US FOR DETAILS..

MANY HAPPY RETURNS... FREE!



Greyhound Lines, Inc.



COMMUNITY TRANSIT

THROUGH THE GREYHOUND RURAL
CONNECTION BUY A ONE-WAY TICKET
- AND GET YOUR RETURN TRIP FREE*

Between January 8 and April 30, 1990 take the
COMMUNITY TRANSIT SERVICE **1-800-284-RIDE**

to a participating Greyhound terminal - and get a
ROUND TRIP TICKET FOR THE PRICE OF A ONE-
WAY TICKET. Going Greyhound has never been more
convenient - or economical!

For more information call

COMMUNITY TRANSIT SERVICE 1-800-284-RIDE
or your local Greyhound/Trailways terminal.

*Tickets must be purchased by and travel begun by April 30, 1990 on Monday through Thursday only. Return portion of the round trip can be made on any day of the week. Both the going and return portions of the round trip are subject to the black out period indicated below. Only passengers transported to a participating Greyhound/Trailways terminal by a participating rural provider and submitting a valid Rural Connection program coupon at the time of ticket purchase are eligible for the discount. Only one discount ticket per passenger per round trip. Discount not available on advance purchase fares. Discount program is in effect from January 8, 1990 through April 30, 1990, but is "blacked out" between April 11, 1990 and April 17, 1990 for either the purchase of tickets or travel. Rural provider service may be limited, so please contact the local rural provider for the day(s) and time(s) of service for travel to and/or from the participating Greyhound/Trailways terminal.

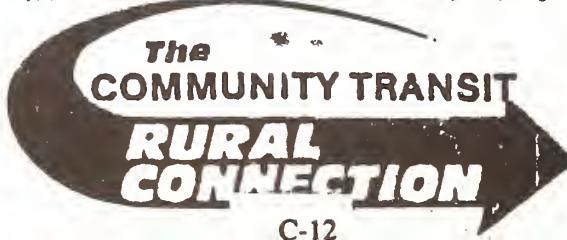


EXHIBIT 5: EXAMPLE OF PRESS RELEASE

Page 4 The Flatonia Argus, Flatonia, Texas, January 11, 1990

Community Transit Service Passengers Offered Discount Fares On Greyhound

Between January 8 and April 30, passengers transported by Community Transit Service to a participating Greyhound or Kerrville terminal can buy a one-way ticket on Greyhound or Kerrville and get the return trip free.

"This is a travel bargain for our passengers," said Norma Moree, Transportation Director, of Community Transit Service. "They can get a round-trip ticket to any of the 12,000 locations served by Greyhound or Kerrville for about half price."

To qualify, passengers must be transported by Community Transit Service to a participating Greyhound or Kerrville terminal and submit a valid Rural Connection program coupon when purchasing their ticket. Under the special offer travel must begin on Monday through Thursday, but passengers can return any day of the week. Tickets must be purchased and travel begun by April 30, 1990. Tickets will not be sold and travel will not be valid between April 11-17.

"This promotion provides high-quality travel at a low price," Fred

G. Currey, Chairman and CEO of Greyhound Lines, said, "and it comes during our off-peak season when seats are readily available on most of our routes."

Interested persons should call the local Greyhound or Kerrville terminal for specific fare and schedule information and to determine when they wish to travel. The next step is to call the Community Transit Service office at 800-284-RIDE; (Smithville area 237-4861) to schedule a reservation to the bus terminal. Reservations with Community Transit Service should be made as early as possible, but no later than the day before the trip, to ensure the availability of service.

Community Transit Service is one of more than 75 local transportation systems participating in the Greyhound and Kerrville Rural Connection program and this special fare promotion. The Greyhound and Kerrville Rural Connection is part of a nationwide program to restore access to intercity bus service in rural communities. Dallas-based Greyhound is the nation's largest intercity bus company.

It should be noted that this promotion in the past two years did show some ridership increases. It appears, however, that the local operators are losing interest in the program and are not willing to spend more time putting ads together.

The poster and van stickers developed through Greyhound do not appear to be attractive or informative (Exhibits 2 and 3.) The van stickers do not have a phone number to call for information and the poster does not convey a message and is very difficult to read.

It is felt, that the bulk of the marketing effort is left to the local operators. This includes funds for printing posters, and placing ads, as well as, staff time in putting the ads together and distributing them throughout the service area. Please note, that CARTS own marketing brochures and posters are very professionally done (Exhibit 1). At this time there appears to be little incentive to continue marketing this program at the local level. The rural operators argue that all of the work falls on them and that marketing support (funds) are minimal. One participant suggested that Greyhound incorporate the RCP in its national marketing. That is "mainstream" the RCP. One specific example would be to mention the RCP at the end of a Greyhound radio advertisement ("Moneysaver"). Another suggestion was that Greyhound denote rural connection participants in its system route map. A third suggestion was to perform better grass routes marketing such as parking a new van by the bus terminals periodically with a bright poster explaining the service. All participants felt that the marketing must be simple for the rural operators to implement, with little or no time needed to implement the program.

Financial

The financial impact on CARTS has been minimal. CARTS has received approximately \$180 in two years of participation. As noted earlier, CARTS does not receive any RCP revenue for trips outbound from the intercity bus terminals. CARTS has incurred some staff and direct costs in the development of posters, flyers, and the posting of them at various locations. In 1988, Kerrville, Greyhound, and the SDHPT contributed \$6,000 to be used to market the program for the initial promotion. The SDHPT however, is continuing its financial support of the program through its funding of Section 18 facilities, some of which will be for intermodal terminals. It is also supporting a major Section 18 marketing program, where funds will be allocated to local operators who may use it to promote the RCP. Greyhound and Kerrville do not provide any ongoing financial support to the program at this time.

Regulatory

CARTS currently has a certificate of Exemption from the TRRC to operate limited service on an intercity basis. The exemption allows CARTS to transport Medicaid passengers to medical facilities. The TRRC is now requiring CARTS to get a certificate for intercity general public transport. This would among other things require very high levels of insurance. Currently Greyhound and SDHPT are negotiating with the TRRC for an exemption for the transport of persons to a bus terminal. Package delivery is also closely regulated by TRRC. Mr. Marsh has indicated that he has no plans to enter this field, in large part due to the extensive regulations.

Key Findings

CARTS' goals for the program are for the most part being met by its participation in the program. The major goal that has not reached (nor ever clearly defined), has been the goal of increasing ridership. Over the past 20 months, ridership (inbound and outbound) has averaged 7.5 passengers per month. For these reasons, most of the barriers to success revolve around the ridership goal. This section will review barriers by functional area.

Operations

Possibly the greatest barrier to success is the fact that CARTS does not operate during the peak hours for intercity travel (Friday evening and Sunday afternoon and evening). This is a serious barrier that deprives the program of a significant portion of the potential ridership. CARTS operates 8:00 a.m. to 5:00 p.m. Monday thru Friday. According to Mr. Marsh, additional funds would be required to extend service to evening and weekends.

Another barrier cited is the difficulty encountered by a passenger wanting a rural connection from the terminal to a rural area. The burden is on the passenger to set up both legs of the return trip separately, as well as probably having to make a long distance call. In addition, the ticket agent must inform the passenger that a connection exists (since there is no national marketing of this program).

CARTS feels that the terminal agents are the weakest link in that they typically do not care about the program and do not want to do the paperwork. One terminal agent was billed \$.50 by CARTS and rather than deal with the paperwork, sent CARTS two quarters taken from the agent's pocket.

Administration/Linkages

The most significant problem in this area is the lack of communication at the local level, between the subcontractors and the terminal agents. This could be because neither entity can afford to spend time in this effort. Mr. Marsh suggested that on a quarterly basis, the local CARTS manager meet with the terminal agent and the Greyhound sales representative to ensure good communication and cooperation.

Marketing

Marketing was one of the major concerns expressed by CARTS and its subcontractors. This feeling was that the Greyhound marketing effort:

- require to much time and effort on the part of the rural operator. Therefore the marketing is not performed adequately,
- has poor quality marketing materials,
- has no national RCP marketing effort in conjunction with Greyhound's national marketing, and
- places all of the marketing burden (time, effort, and funding) on the rural operator.

Financial

There are no significant financial burden placed on CARTS. However, in order for the service to generate more riders, it would need additional funding to operate Friday evening and Sunday.

Regulatory

Currently the regulatory issues are under negotiation. However, this has not impacted on CARTS at this time. If the negotiations are unsuccessful, regulatory requirements could become a significant barrier.

JAUNT

On January 18, 1990, a field visit was made to JAUNT in Charlottesville, Virginia. The purpose of the field visit was to review JAUNT performance in regard to the RCP. This review included a review of the barriers to successful operation, attributes leading to success, and the identification of both unresolved issues and benefits to the key participants. The field visit included interviews and meetings with:

- The Greyhound Terminal Agent
- JAUNT's Executive Director, Marketing Manager, and Operations Manager
- Virginia Department of Transportation representative (interview over the telephone)

JAUNT is a Section 18 rural transit operator in Albemarle, Fluvanna, Louisa, and Nelson Counties of Virginia as well as operating a demand-responsive service in the City of Charlottesville. JAUNT operates a variety of transportation services for human service agencies and the general public. Approximately 46 percent of JAUNT's riders are general public. Linda Wilson, Executive Director of JAUNT, entered into discussions with Greyhound in February 1987 and initiated its RCP in January 1988. According to Ms. Wilson, there was no major promotion at the beginning of the program. (Exhibit 6)

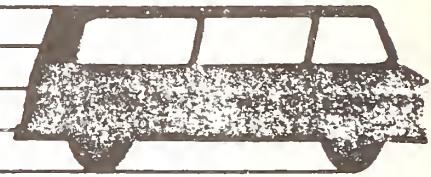
According to the Greyhound Terminal Agent, there are approximately 17 peak schedules over three routes (Figure C-2) through Charlottesville and average daily boardings range from 30-40 day in the winter when the University is out of session to 140 per day in the peak season. The routes are:

- New York -- Washington, D.C. -- Roanoke (and points beyond), using I-81
- New York -- Washington, D.C. -- Danville (and points beyond), using U.S.29
- Richmond, VA -- Charleston, West Virginia, using I-64

JAUNT is listed in Russell's Guide (January 1990) and provides some on-call and some scheduled service to the following towns listed in the Guide.

EXHIBIT 6: INITIAL PROMOTIONAL MATERIALS

JAUNT NEWS



1138 East High Street, Charlottesville, Virginia 22901

Administration (804) 296-3184 or 296-4980, Operations (804) 296-6174

JAUNT and Greyhound form Rural Connector Program

On January 7, 1988, JAUNT and Greyhound Lines, Inc. held an inaugural service to celebrate the beginning of a partnership that will improve long distance travel for rural residents of Planning District Ten. Under this agreement, JAUNT will provide 'feeder' service to and from the Greyhound bus terminal in much the same way that commuter airlines extend the services of the large airlines.

Greyhound has terminals in Charlottesville and Lovingston. JAUNT will drop off or pick up passengers at those terminals whose origins or destinations are rural areas in the planning district. JAUNT will not presently initiate any new routes, but will transport passengers on existing routes. Greyhound will allow JAUNT vans to pull into the terminal to pick up and discharge passengers, and will list all of JAUNT's rural routes and fares in its national directory. In return, JAUNT will publicize the connector service and will provide information to passengers about Greyhound routes.

Under this Rural Connector service, a person in, for example, Kansas City could go to the Greyhound terminal and request transportation to, for example, Esmont. The Greyhound agent would provide ticketing to Charlottesville and information to the passenger about JAUNT's routes and fares to Esmont. Knowing that JAUNT has limited service to Esmont, the passenger would arrange to take a bus that would best connect with JAUNT's van to Esmont. When the passenger arrives in Charlottesville he will call JAUNT, request a ride to



Under the new Rural Connector Program, JAUNT transports rural

residents to and from the local Greyhound bus terminals.

Esmont, and pay JAUNT the fare from Charlottesville to Esmont.

A person living in the rural areas of Planning District Ten can call either JAUNT or Greyhound to obtain the connector service. An example of how this would work: a person living in Palmyra, for example, might call JAUNT for information about a ride to the bus station. Since JAUNT only has one van a day to Charlottesville from Fluvanna County, we would help them locate the Greyhound bus schedule that is the best connection with the JAUNT route. We would then schedule that rider on our route (at least a day in advance). The passenger would pay JAUNT's fare to Charlottesville, and would be dropped

off, along with his luggage, inside the bus unloading area of the Greyhound terminal. The passenger would be given a voucher slip to hand to the ticket agent when purchasing his ticket. That voucher would authorize reimbursement to JAUNT for scheduling the connector service.

In years past there were buses running from many rural communities. The large inter-city bus companies have discontinued virtually all of those local buses because they were losing money. It is our hope that the Rural Connector Program will re-establish some of the lost local bus service and restore the simplicity of long distance travel for our rural residents.

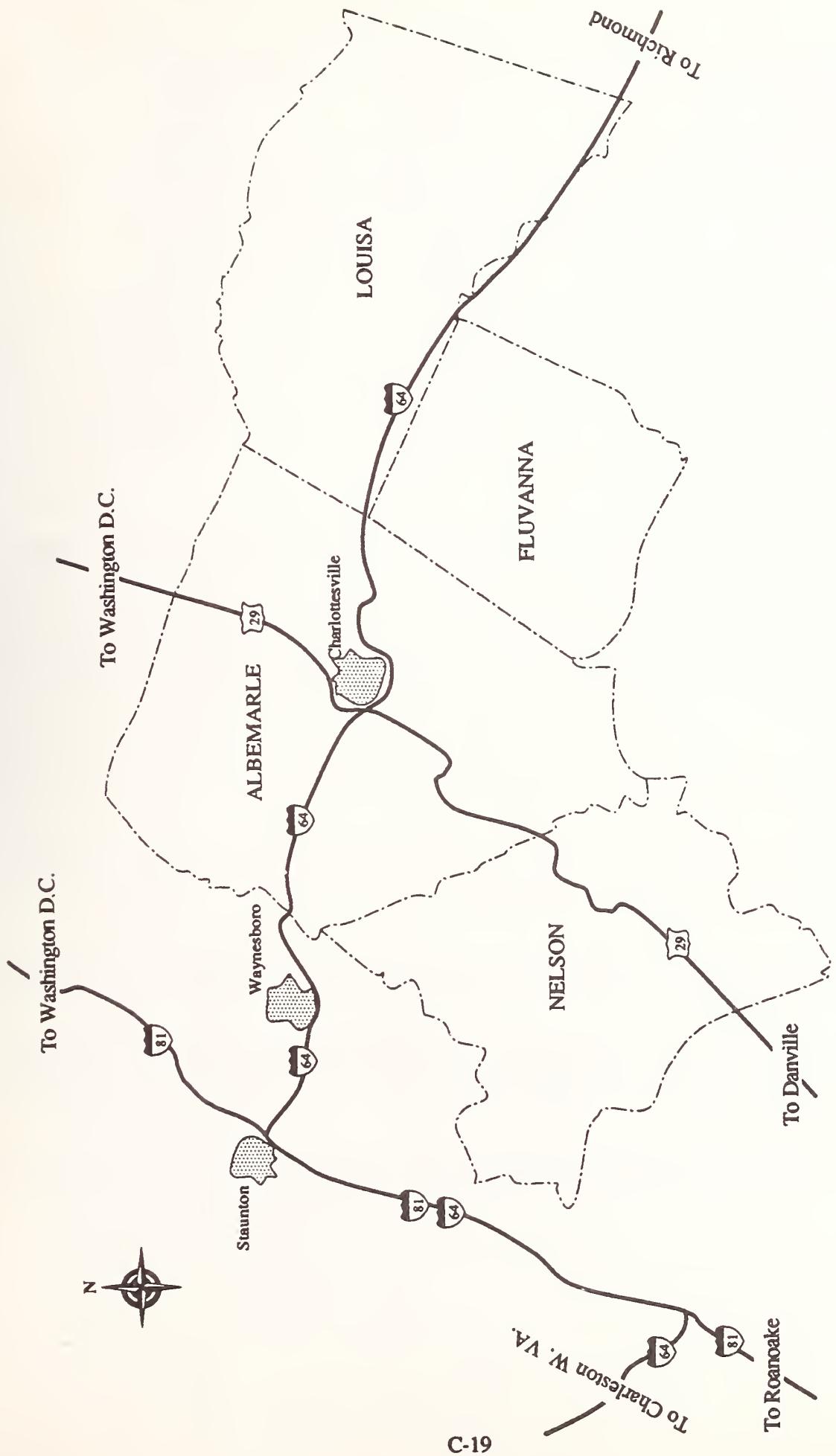


Figure C-2: INTERCITY BUS ROUTES IN THE JAUNT SERVICE AREA

Advance Mills	Free Union	Palmyra
Alberene	Greenwood	Proffit
Batesville	Hollymead	Red Hill
Blenheim	Howardsville	Rivanna
Boonesville	Ivy	Schuyler
Boyd's Tavern	Jarmans Gap	Scottsville
Brownville	Keswick	Shadwell
Bungletown	Keene	Shipman
Cash Corner	Lovington	Slate Mill
Cismont	Massies Mill	Southwood
Coloham	Mountfair	Standardsville
Colleen	Newtown	Stoney Point
Covesville	Nortonsville	White Hall
Esmont	Nortonsville	Woodbridge
Earlysville	Old Dominion	Yancy Mills
Fork Union	Old Dominion	

Ridership is very low with an average of three passengers per month both inbound and outbound (Table C-3). The total revenue generated in 21 months of operation is \$44. JAUNT, however, is a viable public transit system that has the capability of operating a successful RCP. The first part of this report will review JAUNT's goals for the program. This will enable us to measure the success of the program at the current time.

Goals of the Program

There were no formal goals set up for the program, however, the goals outlined by Ms. Wilson are, in fact, recognized by staff as the system goals.

- Increase in Ridership. There was an expectation that ridership would increase in the RCP. However, the level of increase was never articulated.
- Cooperation and Working Relationship with Intercity Carrier. All participants recognize the need to work together in order to maintain a rural public transportation network through the coordinated efforts of Greyhound and JAUNT.
- Improving Mobility for Transit Dependent. Ms. Wilson feels that this service has the potential to increase options for travel in the JAUNT service area.

Table C-3
RURAL CONNECTION PROGRAM: RIDERSHIP AND REVENUE

	Passengers			Packages
	Outbound- All passengers taken to Greyhound	Inbound- All passengers picked up from Greyhound	Revenue Collected from Rural Connection	Revenue Collected from Rural Connection
December 1987				
January 1988				
February 1988				
March 1988	3	NA	4.00	
April 1988	2	NA	2.50	
May 1988	—	—	—	
June 1988	2	NA	3.00	
July 1988	—	—	—	
August 1988	—	—	—	
September 1988	—	—	—	
October 1988	3	4	3.00	
November 1988	—	—	—	
December 1988	4	1	4.50	
January 1989	3	2	3.50	
February 1989	—	—	—	
March 1989	3	3	4.00	
April 1989	3	3	6.00	
May 1989	—	—	—	
June 1989	1	2	1.50	
July 1989	1	2	1.00	
August 1989	3	5	3.00	
September 1989	4	6	4.50	
October 1989	1	2	1.00	
November 1989	2	3	2.50	

Identification of Issues

This section will review the issues/problems facing JAUNT in operating a successful RCP. The issues were broken down into five functional areas. They include, 1) operational issues affecting JAUNT and the terminal agent, 2) administration/linkages between JAUNT and the key participants, 3) marketing, 4) financial, and 5) regulatory.

Operations

Both Linda Wilson and the terminal agent, Mr. David Allen, feel that the greatest problem facing the program is the limited hours of service offered by JAUNT (6:30 a.m. - 6:30 p.m. M-F). Mr. Allen pointed out that his peak times are Thursday and Friday evenings and Sunday, all at times that JAUNT does not operate. Another problem cited was the difficulty experienced by passengers in arranging a rural trip outbound from the terminal. Access to JAUNT from an out of area point requires the ticket agent to inform the passengers that they must make separate arrangements for that portion of the trip. The passenger is then required to make a long distance call to access the system. JAUNT receives no reimbursement from Greyhound for these trips.

The terminal agent stated that he wanted to see the program succeed, but that he did not have time to spend on it. He also stated that he was initiating door to door package delivery, which would preclude JAUNT from initiating that service.

Administration/Linkages

This section will review JAUNT's administration of the program and its linkages on the local, state, national, and corporate levels. These linkages, or lines of communication, are essential to the efficient/effective management of the program. JAUNT staff indicated that little time is currently spent on the program. What time is spent is in the marketing area, although little has been done recently.

At the local level, there is communication with the terminal agent. However, Ms. Wilson feels communication could be better in terms of notification of schedule changes. However, Mr. Allen stated that there are times when he did not know about a schedule change until after it took effect. In fact, he stated that he was not aware of the current fare promotion until one week after it was initiated.

Ms. Wilson felt that communication could be better at the regional and corporate level. For example, in September 1989, Ms. Wilson had a meeting with regional Greyhound sales staff, where a number of issues and problems were discussed and agreements reached. Three months later this

Greyhound staff was no longer in the positions they occupied in September. Ms. Wilson also stated that she has received no response from the corporate level regarding marketing issues. She feels she has received conflicting information from corporate staff and no contact whatsoever since October 1989.

The Virginia Department of Transportation (VDOT) has had little involvement in the program. Ms. Kathy Anderson at VDOT stated that there is \$5,000 available to JAUNT for marketing, if JAUNT will conduct a marketing survey and develop a marketing plan for the RCP. According to Ms. Anderson, there were initially two systems involved in the TCP. One dropped out because they could not make their system compatible to Greyhounds service. She feels that this may be the case with JAUNT as well citing the incompatibility of their hours of service.

Marketing

Both Ms. Wilson and Mr. Allen felt that the marketing effort is currently ineffective. Ms. Wilson and her staff stated that too much of the burden in the marketing area is placed on JAUNT. She feels that the marketing materials supplied by Greyhound are of poor quality and that Greyhound refused to permit her to develop her own marketing tools.¹ Consequently, the consultant saw no evidence of any marketing of the program at the Greyhound Terminal or on the vans, even though a new fare promotion designed for the RCP was in place. Ms. Wilson said that JAUNT received the promotional material late and has not had time to put it in place. As of February, JAUNT has placed news releases in three rural newspapers.

Ms. Wilson felt that Greyhound should develop quality marketing material or funding to allow the rural operator to design their own materials. She also felt that the RCP must be marketed on a national level as well as a local level.

As stated earlier, VDOT has \$5,000 available to market the program. In order to receive these funds, JAUNT must conduct a marketing study and develop a marketing plan. Ms. Anderson felt that JAUNT could conduct a study with the assistance of a University of Virginia class project. Ms. Wilson felt that it would cost her too much in staff time and funds to be able to accept the \$5,000.

Financial

There has been minimal financial impact on JAUNT. Little time and funds have been put into the program and little revenue has been received. Part of JAUNT's reluctance to market the program is financial in that they feel that it is not worth the effort. Greyhound does not provide any ongoing financial support to the program.

¹During the second year, feeder systems were authorized to design their own marketing materials.

Regulatory

Ms. Wilson indicated that there are no regulatory problems at this time. She has no state regulatory permit, citing that JAUNT is exempt from regulation.

Key Findings

JAUNT's goal of better relationships with the intercity carriers appears to have been met. The major goals of increasing ridership and mobility, however, have apparently not been met (although no specific performance levels were identified). Ridership is currently at approximately three one-way trips per month. This section will review the barriers to meeting the goals of the program.

Operations

The greatest operational barrier to the program is the incompatibility of the two system service hours. JAUNT does not operate during Greyhounds peak hours, depriving itself of a significant portion of the potential RCP ridership. According to Ms. Wilson, additional funds would be required to extend service hours.

The other major barrier is the difficulty encountered by potential passengers in scheduling a rural trip outbound from the terminal. It is possible that, because there is no national marketing effort, many passengers desiring to come into JAUNT's service area may not be aware of the RCP.

Administration/Linkages

The most significant problem in this area is the lack of good cooperation and communication at the Greyhound regional and corporate level. There has been little assistance of any sort from Greyhound, in regard to this program. As a result of this, JAUNT and the local terminal agents are reluctant to commit resources to the program.

Marketing

In January marketing was non-existent. JAUNT, as of January 18, 1990, had not implemented any marketing for the fare promotion initiated January 8, 1990. JAUNT feels that the quality of the Greyhound marketing materials are poor, and takes too much time and money to put together and

distribute. Greyhound has not implemented an effective marketing campaign. This ineffective marketing effort is one of the primary reasons the program has failed to generate ridership.

Financial

There are no significant financial burdens placed on JAUNT. However, in order for the service to generate more riders it would need funding for marketing and the expansion of service hours.

Regulatory

There are no significant barriers in this area.

OVERVIEW OF THE MICHIGAN DEMONSTRATION PROGRAM

While the purpose of this study is not an evaluation of the Michigan demonstration program, it must address the issues that are being tested by that program. The Michigan program is a two-year project, administered by the Intercity Division of the Bureau of Urban and Public Transportation (UPTRAN), utilizing state and UMTA funding. It was designed to test the idea that linking rural or county-wide transit systems to the remaining intercity bus routes could provide mobility for intercity trips without subsidizing replacement intercity service. The program includes \$700,020 for operating assistance and marketing. The operating assistance is for the rural operators to allow them to provide service during weekday evenings, on Saturdays and Sundays. The rationale is that the weekly peak ridership periods for intercity buses occur on Friday afternoons and evenings, and on Sundays, as people make weekend trips. In some cases communications systems were also enhanced, staff hours increased, and vehicles added to allow the additional service. Each system receives \$1,000 per month for marketing to allow them to develop and distribute marketing to inform and attract the public to the Rural Connection. Marketing can include radio and cable television spots, print ads in newspapers and shoppers guides, brochures, posters, business cards, and billboards. Michigan chose seven systems for the demonstration based on various assessments of the type of market represented, the size of the system, the structure of the transit services in the area, etc. Systems in five counties have begun participating in the demonstration already, and an additional two systems (in Ionia and Marquette) are due to start in the spring of 1990. The long term goals of the program include the development of a statewide toll-free telephone information number to provide users with information on the intercity and local systems and intercity services. After the demonstration it is estimated that seven new counties would be added each year until the intercity bus

network in the state is fully coordinated with local providers. After the demonstration, the state funding would be provided for marketing only, and only if the local system maintained the expanded service hours.

The Michigan demonstration is continuing, and a complete evaluation must await the end of the two-year period. However, the Intercity Division did provide data on ridership and grant status through March 1, 1990, for the five counties (six systems) already operating. Table C-4 presents ridership by system by month for calendar 1989. A lack of entries indicates that the system had not yet started operations. Table C-5 presents ridership by time and day of service as a means of determining the impact of expanded service hours and days. For those systems supplying data by time of day, it appears that approximately two-thirds of the ridership takes place during normal weekday service hours, with an additional 14.3 percent after hours on weekdays, ten percent on Saturdays, and seven percent on Sundays. A majority of the trips are outbound, with 59 percent originating on the Rural Connectors, and 41 percent having the Rural Connection as the means to their destination. Finally, Table C-6 presents the grant status for the six systems as of March 1, 1990. Of particular concern at this time is the high cost per passenger, if the marketing and operating costs are divided evenly over the number of passengers carried on each system. For the two most heavily used systems, JTA and ICTC, the cost per Rural Connection passenger is almost the same at \$48 and \$49, respectively. It should be noted that ridership is still developing, and that public awareness of the option is still building. Over time, with more riders and lower marketing costs, these figures should improve.

The Michigan DOT has done a preliminary user survey² of riders at JTA and ICTC, and the results of that survey indicate:

- Over half the riders surveyed were using the Rural Connection to reach intercity buses for the first time. Twenty-six percent were riding the system for the first time for any reason.
- Previous intercity bus riders are using the Rural Connection to reach bus services. Eighty-one percent of those surveyed had used an intercity bus to make at least one trip in the past year.
- Previous Rural Connection riders had, on average, made two more intercity trips than all riders.
- The largest percentage of riders learned of the Rural Connection by word of mouth from friends or relatives, followed by information from the agent.
- Fifteen percent of the riders would not have made the intercity trips if not for the availability of the rural connection service.

²Michigan Department of Transportation, Bureau of Urban and Public Transportation, Michigan's Rural Connector Program, presentation to the Committee on Intercity Bus Transportation of the Transportation Research Board, January 9, 1990.

Table C-4: MICHIGAN RURAL CONNECTION RIDERSHIP FOR CALENDAR YEAR 1989

Transit System	1989											
	January	February	March	April	May	June	July	August	September	October	November	December
Berrien Bus	2	29	19	7	12	8	11	2	7	7	9	17
Twin Cities Area Transit Authority	61	19	11	16	42	57	33	14	27	27	15	
Isabella County Transportation Authority	25	14	112	63	33	25	12	16	18	23	38	36
Bay Area Transportation Authority	24	20	5	3	11	13	1	1	10	4	4	19
Muskegon Area Transit System	6	6	3	4	2	2	2	3	3	4	4	2
Jackson Transportation Authority	47	84	75	67	81	70	83	107	73	71	100	
TOTAL MONTHLY RIDER	72	100	301	194	143	129	160	206	129	128	182	89

Shaded areas indicate program not yet in operation

Table C-5: MICHIGAN RURAL CONNECTION RIDERSHIP BY TIME AND DAY OF SERVICE

RIDERSHIP	ITA	ICTC	MATS	BATA	BERRIEN	TCATA	TOTAL	PERCENT OF TOTAL RIDERSHIP*
Regular Hours M-F	590		28	46	90	316	1070	68.8%
After Hours M-F	150		0	38	30	4	222	14.3%
Saturdays	120		0	25	10	0	155	10.0%
Sundays	87		0	19	3	0	109	7.0%
TOTAL	947	214	28	128	133	320	1770	
Inbound	333		12	46	67	175	633	41.0%
Outbound	614		16	82	66	145	923	59.0%
GRAND TOTAL PASSENGERS	947	214	28	128	133	320	1770	

* Not including ICTC

Table C-6: MICHIGAN RURAL CONNECTION DEMONSTRATION PROGRAM STATUS AS OF 3-1-90

	Twin Cities Area Transit Authority	Bay Area Transportation Authority	Muskegon Area Transit System	Jackson Transportation Authority	Isabella County Transportation Authority
Berrien Bus	\$86,688.90	\$90,559.46	\$135,809.36	\$86,250.75	\$91,463.75
Total operating authorized	<u>11,000.00</u>	<u>0.00*</u>	<u>24,000.00</u>	<u>24,000.00</u>	<u>24,000.00</u>
Total marketing authorized	\$110,688.90	\$90,559.46	\$159,809.36	\$110,250.75	\$115,463.75
GRAND TOTAL AUTHORIZED	\$110,688.90				\$113,248.00
Operating used to date	9,281.91	13,167.90	3,336.90	9,290.20 (Bus Rehab)	26,506.35
Marketing used to date	6,199.50	0.00	9,140.09	1,179.50	14,565.13
TOTAL USED TO DATE	\$33,543.46	\$13,167.90	\$22,580.30	\$13,429.62	\$41,071.48
TOTAL REMAINING	\$77,145.44	\$77,391.56	\$137,229.06	\$96,821.13	\$74,392.27
TOTAL RIDERSHIP	133	320	128	32	858
TOTAL COST PER RIDER			\$176.00	\$420.00	\$48.00
					TOTAL \$78.00

*Berrien Bus System provides marketing for Twin Cities.

Systems have been in operation for varying lengths of time.

Source: Michigan Department of Transportation

- Twenty-seven percent of the first time riders had not used it before because they were not aware it was available.
- Transportation provided by friends and relatives was the largest reason given for not using the Rural Connection, at 53 percent.

In order to learn more about the results of this demonstration, two site visits were made in Michigan. One was with JTA, the connector with the highest cumulative ridership in the country, and the other with Berrien Bus, to see a rural operator with low ridership despite the assistance provided by MDOT. Case studies on these two systems follow in the next two sections.

Jackson Transit Authority (JTA)

On March 14, 1990 a site visit was made to Jackson, Michigan, to meet with staff at the JTA. The purpose was to review JTA participation in the RCP. This program is especially significant because JTA has carried more riders under this program than any other system, ranking first or second in the nation every month. In this case, the attributes of a successful program are documented. The field visit included interviews and meetings with:

- JTA's Executive Director, Marketing Manager, and Financial Manager, and
- Michigan Department of Transportation Intercity Division

Unfortunately, we were unable to talk with the local Greyhound agent in Jackson.

System Description

JTA is a transportation authority organized under Michigan Public Act 196, which allows for flexibility in funding transportation through contractual and other financial arrangements. It is both a Section 9 and 18 recipient, which is combined with aid from the state, and support from a local millage to operate the system. In addition, it has used its contracting flexibility to provide fixed route service to two surrounding townships under a purchase of service contract, and has generated several contracts with state and human service agencies to provide client transportation. Contract service revenue now exceeds \$500,000 per year. The system operates eight fixed routes on half hour headways to connect trip generators in the urbanized area. In addition, five demand-responsive vehicles provide such service both inside the urbanized area, and in the County outside the urban area. Another van is provided for out-of-county medical service. Contracted human service transportation utilizes an additional 14 vehicles. The

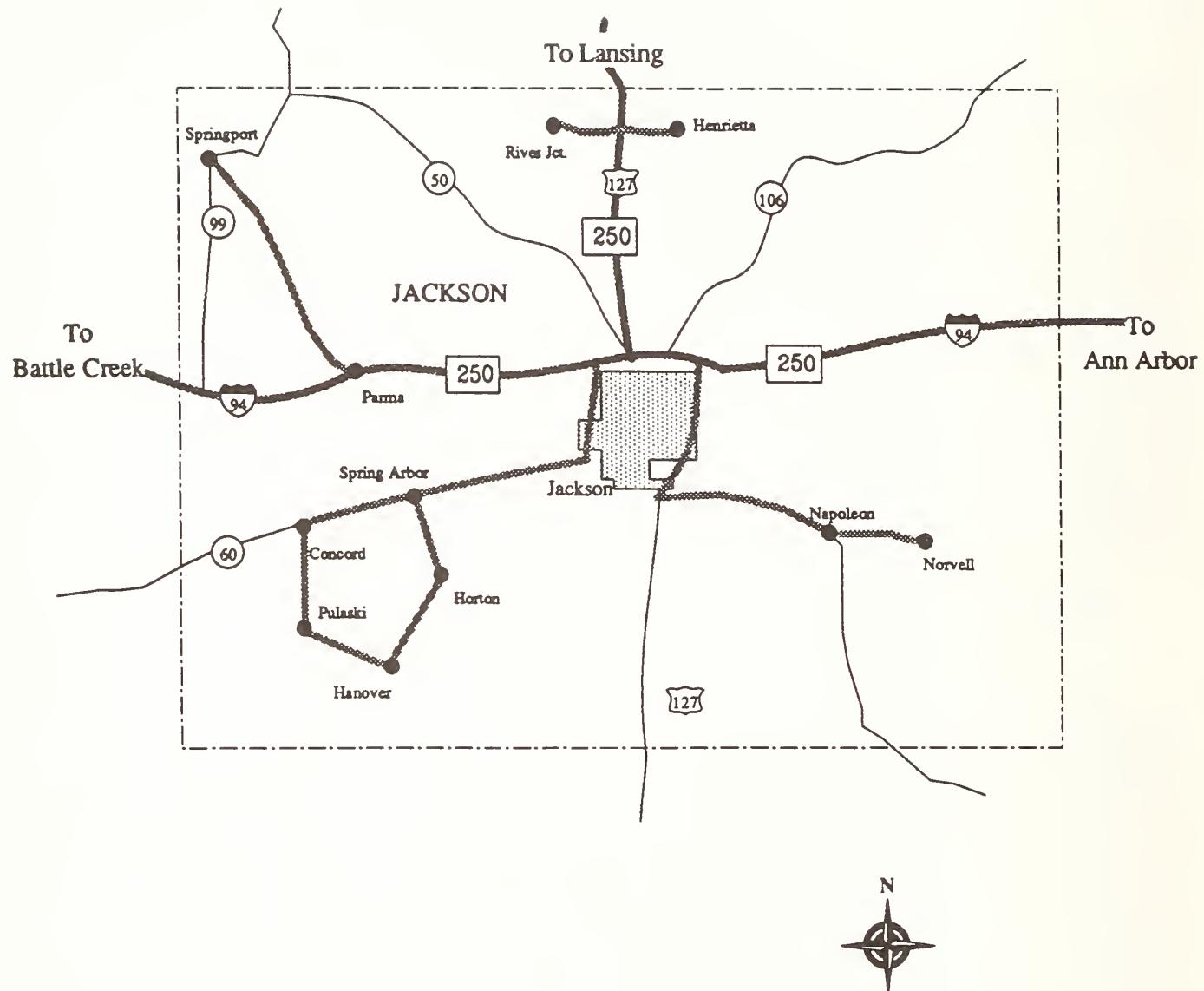
system operates local charters under an UMTA-approved agreement with the local private charter bus operator, and it operates a major transit center in downtown Jackson. The total peak vehicle requirement is 30 vehicles, with five spares. The system operates 19 GMC RTS coaches, and 16 small bus vehicles, along with a number of auxillary, staff, and service vehicles.

Intercity Services

Jackson is served by Greyhound services traveling east-west on Interstate 94 between Detroit and Chicago, with six services stopping in Jackson each way. Two daily round-trips of the Detroit-Traverse City schedules also stop in Jackson. Their route then goes north through Lansing. Intercity bus service routings are shown in Figure C-3. The combination of these two routings results in eight daily schedules inbound from Detroit, along with eight outbound to Detroit. There are no other Greyhound stops in Jackson County. The Greyhound agency is located in its own building near the interstate, some distance north of the downtown. It is served by JTA's Lansing Avenue fixed route urban bus route, which connects at the transfer center with the other urban routes.

JTA Rural Connector Services

JTA is a participant in the Michigan Rural Connector demonstration program, and so has extended operating hours to serve persons departing or arriving on intercity buses after normal service hours. It functions as a connector, working closely with the local agent, who is independent of both Greyhound and JTA. Its services are listed in Russell's Guide in Timetable 1510, with the points served (listed in Table C-7) all shown as being On-Call service. Trips must be scheduled 24 hours in advance. Service hours extend to 10:00 p.m. on weekdays, and from 10:00 a.m. to 10:00 p.m. on Saturday, and from 7:00 a.m. to 3:00 p.m. Evening and extended weekend hours are provided by putting staff on standby at home, able to be reached by a beeper or a call to come pick up a trip. The state pays \$2.50 per hour to keep drivers on standby, and a 1.5 hour minimum at the overtime rate per service hour for trips provided during evening and weekend hours. Virtually all of the Rural Connector ridership is provided on a demand-responsive basis, though fixed route services also go past the Greyhound agency. None of the fixed route riders who use the bus to reach Greyhound are counted as Rural Connection passengers.



— Greyhound Intercity Bus Routes - Schedule Number 250
 - Points Served By Jackson Transportation Authority

Figure C-3: INTERCITY BUS ROUTES THROUGH JACKSON COUNTY

Table C-7

POINTS SERVED BY JACKSON TRANSIT AUTHORITY RURAL CONNECTION SERVICES

(Russell's Guide Timetable 1510)

Jackson
Springport
Parma
Concord
Pulaski
Tompkins
Sand Stone
Spring Arbor
Hanover
Horton
Rives (Rives Jct.)
Blackman
Summit (Vandercook Lake)
Liberty
Henrietta (Pleasant Lake)
Leoni (Michigan Center)
Nepoleon
Columbia (Clark Lake & Brooklyn)
Waterloo (Munith)
Grass Lake
Norvell
South Michigan State Prison
Spring Arbor College
Jackson Community College

Additional service is available on request to all points in Jackson County.

System Goals

The system goal for the Rural Connector is simply to enhance mobility of people in the community served by the system. No quantitative goals for ridership or revenues were set at the inception of the program, though management states that they expected it to do better than it has (even though this is the highest ridership system in the country). This goal fits with the system goal of providing a total transportation system for the residents of Jackson County.

Ridership

As indicated earlier, cumulative ridership on the JTA Rural Connector is the highest of any connector. Table 3-11 presents a monthly summary of the ridership from September 1988, when the system began operating as a Connector. In some months Isabella County Transportaton Commission (ICTC) has had higher ridership, but cumulative totals place Jackson well ahead. Yet it should be noted that this ridership is but a tiny percentage of the system's total annual ridership. From October 1988 through October 1989, outbound Rural Connector ridership amounted to 250, and inbound came to 499. Total annual system ridership for the last fiscal year came to 772,983. Management stated that 50 percent of the ridership consisted of trips between the Greyhound Terminal and the state prison outside Jackson. Family and friends of prisoners can take Greyhound to Jackson, and use the Rural Connector to reach the prison. Also, there is no hard data, but staff feels that perhaps half of the Rural Connection ridership consists of trips made by persons the system already serves for other trip purposes.

Identification of Attributes Leading to Success

Marketing. One of the most noticeable aspects of the JTA implementation of the Rural Connector is the fact that it is marketed. JTA recognized that success or failure of the concept hinged on local efforts to market the connection, and it took full responsibility for marketing the service (although they have used some Greyhound materials). The system, unlike most rural systems, was already large enough that a staff position for marketing was already in place. Marketing the Rural Connector became another part of that activity, and indeed the Rural Connection has been included in all the system marketing elements, including:

- Business cards describing the Rural Connector service are inserted in every intercity bus ticket envelope by the local Greyhound agent. An example is reproduced in Exhibit 7. This uses locally developed artwork. It is low in cost, and effective in making sure that every boarding passenger becomes aware of the JTA service.
- Paper placemats with advertising that are used in local diners and restaurants include a JTA advertisement specifically mentioning the Rural Connector, as can be seen in Exhibit 8.
- The system timetable/guide, which describes all system services, includes a description of both the Rural Connector and the fact that fixed route services can be used to reach the Greyhound Terminal and the Amtrak Terminal. Exhibit 9 presents the Rural Connector information.
- Newspaper advertising is widespread, constant, but small in scale. Classified ads describing the Rural Connector appear year round in all the County's newspapers, especially the shoppers and weeklies that are targeted on particular communities. The cost is low, and the returns are low.
- Posters are up at the Greyhound Terminal, and the agent has handed them out at other locations. A flyer has also been printed, using the Greyhound design (Exhibit 10).
- Flyers have been printed, and are distributed by authorities at the state prison, so that out of town visitors are aware that the Rural Connector can be used to get from Greyhound to the prison and back again. Prison officials are very supportive.
- The most unique and visible publicity is the paint scheme applied to two of the system's small buses. As can be seen in Exhibit 11, this bold, large graphic is a large moving billboard. The system sells all-over advertising paint schemes on its buses, with 12 of them currently painted. If this space had been sold to a commercial account, its value would be approximately \$14,000 per year, but the RCP has had to pay only the direct costs of the paint.
- Television is used to advertise the system, including the Rural Connector. By purchasing a few spots, JTA has found that some stations will also air some ads as public service announcements at no cost. Also, late night ads on cable channels are inexpensive, and seem to reach customers.

While this marketing effort may seem like a lot, most of it is small in scale, low-cost, and uses resources available in many places. Clearly the availability of Michigan DOT funds for marketing is an advantage, but it should be noted that as of March 1, 1990, the system had used only \$14,565 of the \$24,000 authorized. However, with 858 persons carried as of that date, this represents a marketing expenditure of almost \$17.00 per trip. Given the low revenue from these trips, this may indicate that the marketing necessary to reach riders with this new concept is too great for the number of people likely to use the service. Average intercity bus ticket prices vary, but a reasonable estimate used in the industry is \$30 to \$35, so an incremental passenger attracted by marketing the Rural Connector may not contribute much revenue after the costs are paid. This is especially true if the cost of additional operating hours are

**EXHIBIT 7: EXAMPLE OF BUSINESS CARD ADVERTISEMENT DISTRIBUTED
BY GREYHOUND AGENCY IN EACH TICKET ENVELOP**



To call for a ride to or from the Greyhound terminal to any point in Jackson County . . .

Call 787-8363

Monday-Friday	6:15 a.m. - 5:00 p.m.
Saturday	10:00 a.m. - 8:00 p.m.
Sunday	7:00 a.m. - 3:00 p.m.

Whenever possible, call for reservations 24 hours in advance

Same day reservations will be handled as a first call, first serve basis.

ally Owned and Operated
David D. Emmons
President

RCIAL • RESIDENTIAL
dential Curbside Refuse
Collection Service
Containers • Compactors
"Fit Your Needs" Available
787-8710
Senior Citizen Discount
Fully Insured

MR. RADIATOR
DISCOUNT RADIATOR FACTORY

REPAIRS • NEW
RECORDED
TRUCK • FARM
INDUSTRIAL • HEATER CORES
AIR CONDITIONING • RV'S
BACK FLUSHING
WATER PUMPS

764-0220

5 Page Ave., Michigan Center
(Next to Page One Bar)

Celebrating 25 years of service

787-3303

TERS • SHOCKS
TEL DRIVE AXLES

Trucks • 4x4's • RV's
Certified Mechanics
Service
nspections
IT BETTER!"

Wildwood

**MICROWAVE
SERVICE**

ALL
MAKES



CALL FOR OUR LOW RATES
ON CARRY IN SERVICE

JACKSON APPLIANCE

782-1872

600 E. MICHIGAN



783-5094

30 Tomlinson St.

Jackson Public Schools
**ADULT & COMMUNITY
EDUCATION**

Adult High School Completion and Enrichment
Adult Basic Education • GED • Child Care
Senior Citizen • Employability Skills Training

Jackson, MI 49203



• Homes By **Fairway** & **Friendship**

MANUFACTURED HOME SALES



HOME OWNERSHIP MADE AFFORDABLE

- Free Delivery Within 100 Mile Radius
- Homes on Basements or Foundations
- 15-30 Year Financing

2 Locations to Serve you Better!

5 Miles East of Jackson
North Side of I-94;
Sargent Rd. Exit
Across from Schulers
517-764-6250

On Us-127 Miles West Of
Quincy • Just 20 Miles
West Of Junction
U.S. 127 & U.S. 127
517-639-8721

**FARM BUREAU
INSURANCE**

NELSON AGENCY
BOB and TODD NELSON
AGENTS

M-F 8:30-5:30
S 9:00-12:00 **782-1485**

304 W. Ganson, Jackson

**JACKSON
TRANSPORTATION
AUTHORITY**

2350 East High Street Jackson, Michigan **517 787-8363**

To call for a ride to or from the Greyhound terminal to any point in Jackson County.
Call 787-8363

M-F: 6:15a.m.-5:00p.m. • Sat 10:00a.m.-6:00p.m. • Sunday 7:00a.m.-3:00 p.m.
Whenever possible, call for reservations 24 hours in advance
Same day reservations will be handled as a first call, first serve basis.
2350 East High Street • Jackson, Michigan

Welcome

to the

JACKSON CAFE

782-4920 • 1429 COOPER • JACKSON

Designed by Platemate, Inc. 11-89



Minis
50% OFF

VERTICAL BLINDS MANUFACTURER'S
BLIND BROTHERS

ULTRASONIC BLIND CLEANING

♥ GIFT CERTIFICATES AVAILABLE ♥

50% OFF ON KIRSCH BLINDS • FREE INSTALLATION • FREE ESTIMATES

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A Quality Job At A Reasonable Price
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Auto Painting Specialists • Expert Body Work •
Free Estimates • Oven Baked Finish • Factory
Color or 9000 Choices • Insurance Work Specialists

We Feature Collision Repair On The Chief
E-Z Liner System MAACO offers
Complete Collision Services Including Frame
Straightening & Structural Realignment

Serving Jackson County Since 1977

Owner David Brown

Shop Hours: Mon-Fri 8-5:30, Sat. 8-Noon

Michigan Industrial Park
2330 East High Street • Jackson

783-2838

**EXHIBIT 9: PAGE FROM JTA SYSTEM TIMETABLE
WITH RURAL CONNECTION INFORMATION**

Trails Open Daily...8a.m.-8p.m. Pets Are Prohibited

2117 South Jackson Road
Jackson, Michigan 49201
(517) 782-3453

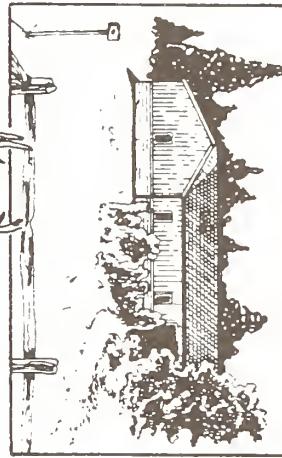
Visitor Building: Weekdays...8 a.m.-5 p.m.
Weekends: Noon...5 p.m.

(Closed Monday)

Pets Are Prohibited



Discover the Natural World



The Greyhound Rural Connection

The Greyhound Rural Connection is a cooperative effort between Greyhound and J.T.A. to provide better and more far reaching transportation services in your community.

Simply call your local Greyhound ticket agent at 789-6148 and decide on the day and time of service to the destination of your choice. Next, call J.T.A. and reserve your ride to the Greyhound terminal.

Greyhound will help you schedule your entire trip, so any connections or transfers you make in other cities will be simple and worry free. Then simply call J.T.A. 24 hours in advance and J.T.A. will get you and your luggage to the Greyhound terminal conveniently and reliably.

If you're traveling round trip and want a ride home from the terminal, just call J.T.A. at least 24 hours before you return.

JTA Services

Keep in Touch with JTA

In order for the J.T.A. to better serve the community, we are constantly upgrading and improving our services. The public is always invited to call J.T.A. at 787-8363 to inquire about a J.T.A.'s services or changes on any of our routes.

J.T.A. is here to serve the public, and no question is too large or too small for us to handle. J.T.A. welcomes all questions and suggestions.

Catching Your Bus

In order for J.T.A. buses to avoid delays, J.T.A. asks you to arrive at the bus pick-up points approximately 5 minutes before boarding time.

If you decide to hail a bus at an intersection instead of waiting at designated point, be sure to signal before it arrives at your point. In the winter months, when the mornings are darker, it is wise to use a flashlight.

Transfers

A transfer is needed anytime you must change buses to complete a one way trip. Obtain your transfer from the driver when boarding the bus. This transfer is good only for the time appearing on the transfer. If your bus is late, have your transfer validated at the transfer center attendant. Transfers are valid at designated transfer points (transfer center, Paka Plaza) or other points established by the Authority.

Train and Inner-City Bus Service

J.T.A. bus routes are coordinated with Amtrak and Inner-City bus schedules. Service is provided to the train and bus stations every thirty minutes. The Amtrak station is served by the East Michigan route. The Lansing Avenue route serves the Jackson Bus Station.

Consider Our Alternatives

- * Special Services for Seniors/Handicappers
- * Local Charter Service
- * Demand Response
- * City Bus Service
- * Ride Sharing

**EXHIBIT 10: JTA USE OF GREYHOUND FLYER ON RURAL CONNECTION
INSIDE TEXT IS AS PROVIDED BY GREYHOUND**

For Greyhound schedules, rates
and information, please call
1-800-541-9874

Then call:

City of Jackson Transportation Authority
for your pick-up and return.
787-8363

Monday thru Friday 6:15 a.m. - 5:00 p.m.

Saturday 10:00 a.m. - 6:00 p.m.

Sunday 7:00 a.m. - 3:00 p.m.

If a reservation must be called in on a holiday
or anytime prior or after the hours listed above,

Dial 789-1981



EXHIBIT 11: JTA VEHICLE PAINTED TO PROMOTE RURAL CONNECTION



added. In JTA's case, the combined state costs per incremental Rural Connector passenger are \$47.86, well above the likely total revenue from their tickets.

Relationship with Greyhound and the Local Agent. Another significant factor is the relationship between JTA and the local agent. The system and the agent have contact by phone or in person at least once a week, often two or more times. The agent has been quite supportive of the Rural Connector, placing advertising cards in every ticket envelope, distributing posters, etc. He has even told passengers to use the Rural Connector to obtain the two-for-one round trip fares available under the Rural Connector fare promotion, even though it reduced his commission. At the same time, the marketing done by JTA for the Rural Connector also promotes Greyhound service, hopefully expanding the total market for intercity bus in Jackson County.

Greyhound relations have also been excellent. The system has used a number of the Greyhound marketing materials adding their own logo, and has had contact with Greyhound Lines perhaps once a week on average. The fact that JTA recognizes that it is responsible for promoting the service, placing the ads, etc. has probably helped in this regard, as they are not calling on Greyhound to ask for marketing money or for someone to come and print the posters and put them up. The availability of state funding for marketing is also a significant benefit in this regard. Overall, JTA feels that Greyhound's training, reporting, and support has been excellent.

Expanded Service Hours. Based on the survey results from all the rural connectors, one would think that expanded service hours are required to achieve any significant ridership. However, the Michigan demonstration allows a test of that hypothesis because data has been collected on ridership by time period. For JTA, 37.7 percent of the total cumulative ridership was carried on evenings or weekends: 15.9 percent after hours Monday through Friday, 12.7 percent on Saturdays, and 9.2 percent on Sundays. Applying the expenditure on expanded service hours to ridership during this period, \$78.85 per passenger was spent to collect the additional passengers who rode in this period. Given the high percentage of intercity passenger boardings during these periods it is surprising that only 37.7 percent of Rural Connector ridership occurred at these times. It may be that the availability of evening and weekend service is important to overall rural connector ridership because it provides users with the security of knowing that they can reach their destination even if the intercity bus arrives late, or if they catch a later bus, even though relatively few actually use the evening or weekend service. The analogous situation exists in the urban transit field with "guaranteed ride home" programs, which seek to allow a commuter to rideshare or take peak-period transit, knowing that if they had to reach home during the day they could take a certain limited number of free taxi rides. Few commuters actually use the taxi trips, but by

providing it as part of a commuter package many more persons feel comfortable in choosing transit. In that sense, the costs of providing such service probably should be distributed over all riders, rather than allocated to the few using the services.

Special Market Attributes. Another significant factor present in Jackson is that compared to many rural systems, JTA is basically an urban transit system in small to medium-sized city. JTA differs significantly in scale from the typical Rural Connector in virtually every measure, from the number of vehicles to the budget, to the population and density of the service area. The City of Jackson had a 1984 provisional population estimated at 37,698, with a density of 3,491 persons per square mile. The county outside the City had a population of 107,616, with a density of 155 persons per square mile. In a very simple sense, the Rural Connector ridership in Jackson may be high because it is basically an urban area, with urban densities in the central city. One may view the Rural Connector service in this context as a replacement for taxi service which is available in urban areas of this size.

In addition, the presence of the state prison creates a natural market for transporting people from the intercity bus station to the prison and back. This allows trips to carry more than one person at a time, and creates the opportunity for making the connector service more feasible. Repeat business also occurs, as the visits are more frequent than typical intercity trips. JTA's estimate is that half their Rural Connector ridership is related to the prison. It is likely that similar opportunities exist in other areas with colleges, hospitals, military bases, etc., although if the market is sufficient, intercity bus service may be provided directly to the site.

Issues and Concerns

The major concerns for the program result from the low ridership, which makes the Rural Connection a low priority overall, and one that is likely to suffer if federal, state or local funding is cut. Even aside from the subsidies supplied by the state specifically to market this program and expand service hours, the Rural Connection requires additional local subsidies because it is provided as a demand-responsive service, often on an exclusive-ride basis. Such trips are the most expensive that urban transit systems can provide, and the limited revenue from fares and Greyhound simply do not come close to meeting the true costs. Thus a transit system must subsidize the rest of the trip with other funding sources, and if these are cut the Rural Connection services may well be cut. It is likely that JTA would continue the service after the state demonstration program ends, but it will not operate the extended service hours or be able to do as much marketing. It may even ask Greyhound to help fund some direct advertising expenses.

JTA's view of the program as a whole is that the onus of its success or failure is on the local operator. Greyhound or the state cannot push local operators to do things they are unwilling or unable to do -- sometimes even if funding is provided.

The state program is also a concern to JTA, both because it is a demonstration that will end, and because some of its requirements and products have not met local needs. The state requirement that one-twelfth of the marketing budget be spent every month has proved to be a problem, both because higher efforts are needed with some promotions, and because billing for ad placement, etc. does not always take place on such an even cycle. Some of the state advertising materials have not been used by JTA, who would rather see state funds used to create good, short, generic radio ads that could be used with a local tag at the end of the tape.

Finally, JTA is concerned that Greyhound may not be recognizing the contribution that its agents can make to this program -- JTA initiated action to have Greyhound recognize the local agent for his work, and it is likely that some form of recognition could be used to motivate agent participation elsewhere.

As for the future directions of the program locally, JTA would like to have the Greyhound agency located in their downtown transfer facility, and is interested in pickup and dropoff of bus package express. These changes would definitely add to JTA's role as the transportation resource in the Jackson County community.

Berrien Bus Rural Connector (BBRC)

Berrien Bus represents a contrast with JTA in a number of ways, and the differences also shed some light on the RCP. Berrien Bus is also involved in the Michigan Rural Connector Demonstration Project, and has access to the funding for marketing and expanded service hours. Berrien Bus was chosen to participate because it is a small rural system, which is one of two systems that serve different areas in the County. Berrien Bus serves the County areas outside Benton Harbor and St. Joseph, which is served by Twin Cities Area Transportation Authority (TCATA). TCATA is also a participant in the RCP, though Berrien Bus performs the marketing for both systems. On this site visit the general manager of Berrien Bus was interviewed, along with the Greyhound/Indian Trails/Indiana Highways agent in Benton Harbor.

System Description

Berrien Bus is truly a rural system, as it is restricted on pickups in Benton Harbor and St. Joseph (though it can drop-off in those areas). It operates nine vehicles, plus a dial-a-ride service in Berrien

Springs is also operated by the same firm. The system is managed and operated by a private for-profit firm, TMI, under contract to the County, which receives state and Federal funding to subsidize operations. The County gets the fare revenue, billing for the net deficit. There is no local millage to support the system. An entrepreneurial management approach is apparent, as the operator also does local contract work during off-peak periods, operating shuttles for local events or firms, etc. Approximately 15 percent of the ridership is general public, with the bulk of the remainder carried under a contract to provide transportation to seniors. General public fare is \$1.00. The general service pattern is demand-responsive.

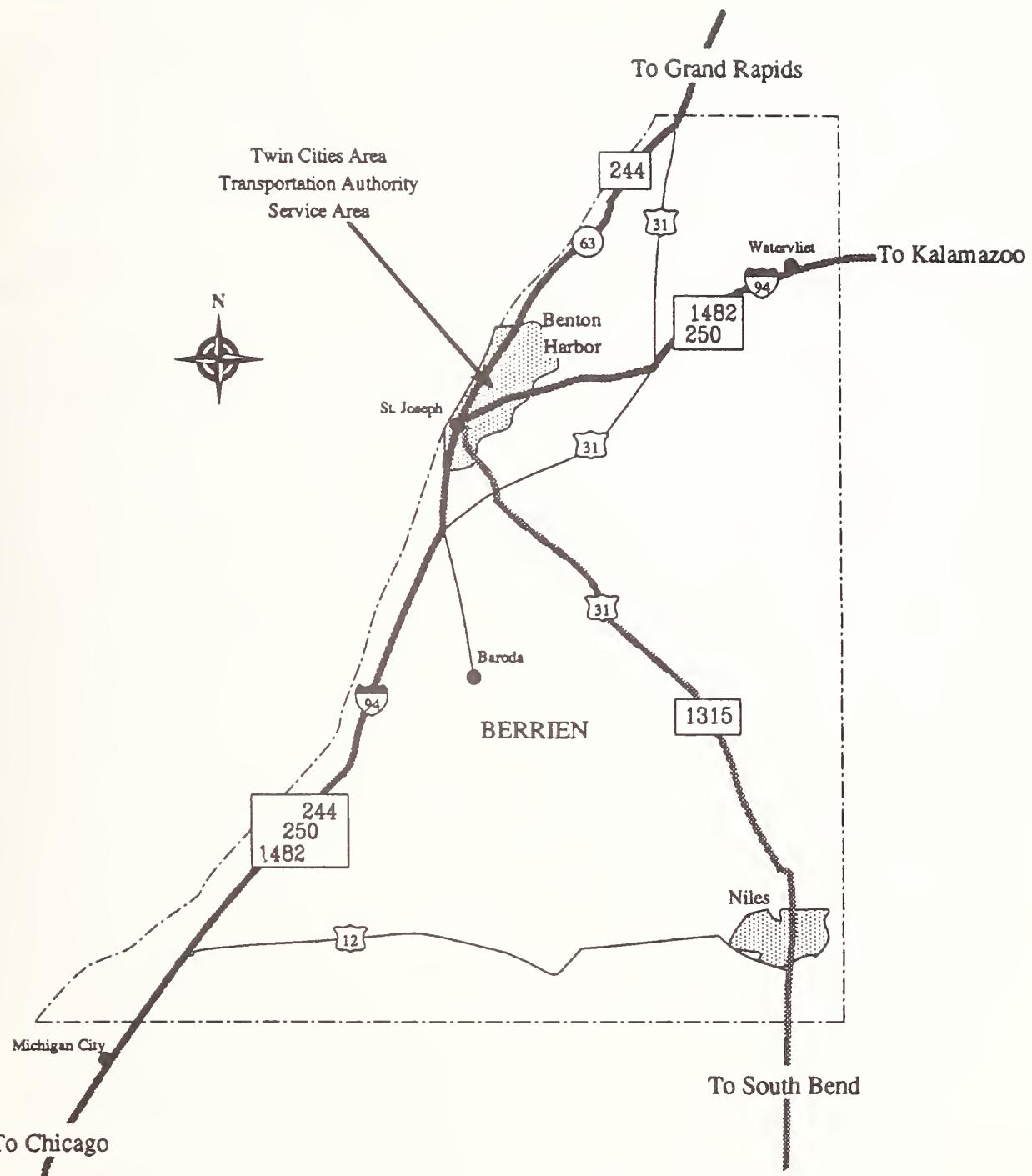
The County area is quite rural, and Benton Harbor is a small city, so conditions here are more typical of rural areas generally. The 1984 Census provisional population estimates show Benton Harbor with a population of 14,246, and the County with 148,783 persons outside the central city. The City's population density is 3,097 persons per square mile, and the County outside has only 260 persons per square mile.

Intercity Operations

Berrien Bus and TCATA are fortunate in that Benton Harbor receives a lot of intercity bus service. It is a junction point for Greyhound services from Grand Rapids to Chicago, Indian Trails services from Bay City and Flint to Chicago, and the Greyhound Detroit-Chicago services. Indiana Highways also provides service to South Bend. A total of ten schedules a day arrive in Benton Harbor from Chicago, with eight outbound to Chicago. Figure C-4 illustrates the intercity routes in the area. Some schedules also stop in Stevensville and New Buffalo, which are in the County between Benton Harbor and Chicago.

Rural Connector Services

Like other rural connectors in the Michigan demonstration, Berrien Bus offers extended service hours in order to connect with evening and weekend intercity schedules. Service is provided on an on-call basis, and the system is paid \$3.50 per hour to be on standby for trips on weekday evenings from 5:00 p.m. to 9:30 p.m. or on weekends. Points served are listed in Table C-8. Some late night and weekend intercity bus arrivals are still not met. A beeper is used to notify a driver, who then takes the trip. The state reimburses the system \$21.00 per service hour for trips provided outside normal service hours, which is the same as the system operating cost per hour.



— Greyhound and Indian Trails Bus Routes, Schedule Numbers - 244, 250, 1482

— Indiana Highways Bus Routes, Schedule Number - 1315

Figure C-4: INTERCITY BUS ROUTES THROUGH BERRIEN COUNTY

Table C-8

POINTS SERVED BY BERRIEN BUS RURAL CONNECTION SERVICES

(Russell's Guide Table 1513)

Benton Harbor	Baroda
Coloma	Galien
Watervliet	Three Oaks
Berrien Springs	Niles
Stevensville	Buchanan
Bridgman	New Buffalo

Additional service is available to all points in Berrien County on request.

System Goals

Berrien Bus did not have a specific goal for their participation in the Rural Connection, though they were interested in additional ridership and revenue. They are also interested in carrying bus package express, and have asked Greyhound for a copy of the contract to see if they can meet the insurance requirements.

Ridership

BBRL ridership has totaled approximately 133 persons to date, split almost evenly between inbound and outbound passengers. Ridership began in February, 1989, and has varied between 2 and 29 passengers per month, with an average of just over 11. Nearly a third of the passengers, 32.33 percent, have been carried during the extended service hours. Most have been carried on weekday evenings (22.5%), a few on Saturday (7.5%), and hardly any on Sunday (2.25%). In addition, it should be noted that Berrien Bus cannot pick up in Benton Harbor/St. Joe, or in Niles. TCATA ridership has been somewhat higher, as would be expected given that it serves the primary urban area of the county. Since its start as a Rural Connector in February of 1989 it has carried 320 passengers, all but four during regular service hours on weekdays. Inbound passengers are the majority at TCATA, with 175 inbound and 145 outbound during this period.

Primary markets for the BBRC have included transportation of military recruits from the Niles recruiting office to the Greyhound station for transportation to Lansing for their physicals, although this has diminished with the relocation of the recruitment center to a location closer to the station. In addition, some ridership occurs around holidays transporting students from Andrew College at Berrien Springs to the bus station in Benton Harbor. Although this level of ridership is equal to many larger systems elsewhere, the Berrien Bus management appeared to be disappointed with the ridership and revenues.

Factors Affecting Ridership Levels

Marketing. As of March 1, Berrien Bus had spent \$6,200 out of the \$24,000 authorized by MDOT for marketing both its system and TCATA. Marketing efforts have included newspaper ads, flyers, and some radio/TV. Despite the disappointment in low ridership, to some extent it appears that the marketing efforts are restrained by limited capacity, most of which is obligated under contract to carry senior citizens for the County. It is not clear what impact marketing does or does not have on Rural Connector ridership in this case -- the available funding from MDOT was seen to be too little (especially

as it must be shared with TCATA) given high costs for large newspaper ads. Also, more marketing assistance from Greyhound and MDOT was desired by Berrien Bus.

Expanded Service Hours. Berrien Bus did not see the expanded service hours funded by MDOT as playing a critical role in ridership, as indicated above about a third of ridership occurred during these hours. Perhaps more relevant than the numbers are the impacts on revenue of the MDOT funds for standby and afterhours transportation. With the MDOT funds, an afterhours trip is basically a breakeven operation if the \$21.00 per hour average operating cost of Berrien Bus is applied.

Relationship with Greyhound. According to Berrien Bus, the relationship with the local Greyhound agent in Benton Harbor is good. Contact is made once or twice per week, mostly to note schedule changes or make arrangements for a pickup. However, the agency displays no posters or signs concerning either Berrien Bus or TCATA, and the agent feels the operators are doing little to market the connection. Greyhound corporate visibility and response is much less than Berrien Bus would like to see. Greyhound (and Indian Trails) officials were present at the kickoff meeting for the MDOT demonstration, but since then there has been no contact to speak off, and questions go unanswered. More marketing assistance was promised, according to Berrien Bus, and they cannot spend time tracking it down, so they are waiting for Greyhound to call and help direct the marketing effort. The Greyhound marketing book and materials have been supplied, but the program needs extensive and continuing promotion which the local operator has been unable to accomplish, despite the MDOT funding.

Impact of Market Attributes. In this case the markets differ considerably from the Jackson or Isabella County model. There are no institutions that generate a lot of intercity bus ridership needing a local connection -- Andrew College is small, and generates only holiday traffic, while the military recruiter has moved. TCATA, with its larger ridership, reflects once again (as was the case in Jackson) that "Rural" Connectors with an urban service area will carry more riders. In the rural environment Berrien Bus serves, its ridership levels may be relatively good.

Issues and Concerns. There are two key themes that come from the site visit to Berrien Bus. One, that probably is critical to the overall assessment of the Rural Connection, is their assessment that the program simply does not pay. The level of demand in a rural area is low enough that virtually all rural connection trips must be operated on a demand-responsive basis. This fact combines with the relatively long trip distances to create rural connection trips that can take an hour or two to operate, with only one passenger on board. As the state does not provide the extra funding for trips handled during

normal service hours, this means that the only revenue is the local fare and the Greyhound payment (if the trip is originating in the county). Such a trip could easily involve an hour of operation at \$21.00, with fare revenue of \$1.00, and perhaps a dollar or two from Greyhound. In an environment where general public subsidies are scarce, and trip priorities go to seniors under a contract agreement, the incentives do not exist to go looking for more such riders. The major motivation for participation in this program must ultimately be a local desire to provide mobility, not a desire to make money or generate large amounts of new ridership.

The second theme also concerns the role of the local operator. Like some others in the program, expectations regarding Greyhound's participation are unfulfilled. Despite the fact that Berrien Bus management was sent the same communications as JTA regarding the program, a completely different understanding of the local role resulted. At Berrien Bus, like some other operators surveyed, the expectation is that Greyhound (and/or MDOT) would come and market the Rural Connection, supplying materials, funding, and implementing the program. The fact that Greyhound has sent a marketing manual and an order form for materials, and the state has offered funding at very high levels does not result in a marketing campaign, because it still requires local implementation. Unlike JTA (and like most small rural operations), there is no marketing person on the staff to actually do the work of getting cards and posters printed, placing ads, monitoring results, etc. These activities fall behind the urgency of getting the service on the street and meeting other priorities for funding.

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